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ABSTRACT

Reported here is the oversight hearing on the Youth Employment and Demonstrations Projects Act to examine the problem of youth unemployment and the extent to which existing federal programs are addressing the problem. Major content is the testimony of four witnesses: Leon Anderson, Division of Human Resources, U.S. Forest Service, Department of Agriculture; Maudine R. Cooper, Deputy Director, Washington Bureau, National Urban League, Inc.; Maurice Dawkins, Opportunities Industrialization Centers; and Robert McConnon, Deputy Assistant Secretary for Employment and Training, Department of Labor. Statements, letters, and supplemental materials relevant to the hearings are also included. (EH)

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**OVERSIGHT HEARING ON YOUTH EMPLOYMENT AND
DEMONSTRATIONS PROJECTS ACT**

HEARING
BEFORE THE
SUBCOMMITTEE ON
EMPLOYMENT OPPORTUNITIES
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
FIRST SESSION

HEARING HELD IN WASHINGTON, D.C., NOVEMBER 10, 1977

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*



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OVERSIGHT HEARING ON YOUTH EMPLOYMENT AND DEMONSTRATIONS PROJECTS ACT

THURSDAY, NOVEMBER 10, 1977

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m. in room 2261, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman of the subcommittee) presiding.

Member present: Representative Hawkins.

Staff present: Charles Radcliffe, minority counsel; Hugh Duffy, associate counsel; Susan Grayson, staff director; Steve Junttila, legislative assistant; Carole Schanzer, clerk and administrative assistant; and George LaVallee, Jr. intern.

Mr. HAWKINS. The Subcommittee on Employment Opportunities is called to order today. Because of the urgency and necessity to be as brief as possible, the Chair will forgo any statement.

I believe that everyone is aware of why the hearing is called. We are not only disturbed over the recent unemployment statistics that seem to indicate that problems are getting worse rather than better, if we may say so, and particularly among youth, we recognize and have long recognized in this committee that youth unemployment is not a problem in a vacuum, that it must be related to other problems facing other segments of the population.

But this morning because of the crisis proportions of the share of the problem borne by young people, it was thought that we should concentrate on that problem to see where we are and where we may be expected to go within the next few months.

This committee has reported out both an extension of the Comprehensive Employment and Training Act as well as the Youth Employment and Demonstration Projects Act. We feel that the committee has an oversight responsibility to see to what extent these programs are operating.

We view with a great deal of concern the apparent lack of interest or concern by people generally with this issue. This is not just public officials but people in general. They view the alarming statistics as if a 7-percent unemployment rate is recovery and something which we should tolerate.

This is one of the highest rates which we have experienced in any one of the years between 1946 and 1975. It is a rate which in any other industrialized country would create a revolution. This country doesn't seem able to stop wondering about the standings of the football teams in the American and National Leagues on Sunday and to seemingly forget the severe problems caused by this type of unemployment rate.

We have invited individuals who are closer to the problem than most of us. It is the intent of the committee to conduct this hearing

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in a very informal way. We don't want a lot of rhetoric. We would rather have some facts and some specific ideas with respect to what we are doing wrong and what we should do that is right.

We have invited both labor and the business community groups representing the private sector because everybody keeps saying that we should emphasize, and we believe we should, the private sector involvement. So we have invited them. Whether or not they respond is up to them. But certainly the committee is offering all the cooperation we possibly can give to involve the private sector in these hearings and the formulation of a long-range program.

We are pleased this morning to have as our first witnesses Mr. Robert McConnon, Deputy Assistant Secretary for Employment and Training; Mr. Robert Anderson, Administrator, Office of Comprehensive Employment Development, Employment and Training Administration, Department of Labor; Mr. Robert Taggart, Director, Office of Youth Programs, Employment and Training Administration, Department of Labor; Mr. Ray Young, Director, Job Corps, Department of Labor, Washington, D.C.

Gentlemen, we are pleased to have you with us this morning. As I have indicated, we will insert in the record your prepared statements. If may be better if you can summarize the highlights of those statements and then we can have some frank discussion on where we are and where we ought to go in the next few months. I guess, Mr. McConnon, you are the anchorperson.

MR. MCCONNON. Yes, Mr. Chairman. I do have a relatively short statement. If you will permit me, since the statement covers the implementation of the program, I would like to read that statement with your permission.

MR. HAWKINS. You may proceed.

MR. MCCONNON. I would like to introduce Mr. William B. Hewitt on my left here who is the Administrator, Office of Policy Evaluation and Research.

MR. HAWKINS. Mr. Hewitt, we welcome you. You are an old friend. We didn't mean to ignore you in the introduction.

STATEMENT OF ROBERT MCCONNON, DEPUTY ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING; ACCOMPANIED BY ROBERT ANDERSON, ADMINISTRATOR, OFFICE OF COMPREHENSIVE EMPLOYMENT DEVELOPMENT, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR, WASHINGTON, D.C.; ROBERT TAGGART, DIRECTOR, OFFICE OF YOUTH PROGRAMS, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR, WASHINGTON, D.C.; RAY YOUNG, DIRECTOR, JOB CORPS, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR, WASHINGTON, D.C.; WILLIAM HEWITT, ADMINISTRATOR, OFFICE OF POLICY EVALUATION AND RESEARCH, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR, WASHINGTON, D.C.

MR. MCCONNON. Mr. Chairman and members of the subcommittee: I appreciate this opportunity to appear before you today to discuss recent efforts of the Department of Labor to expand employment and

training programs for youth, including implementation of the new Youth Employment and Demonstration Projects Act and the expansion of the Job Corps program.

These programs form only a part, although an important one, of our efforts to serve the needs of the youth population. As you know, the Comprehensive Employment and Training Act—CETA—authorizes a broad spectrum of employability enhancing activities. Currently funded at \$12.8 billion, it is expected that CETA will serve 5.6 million persons in fiscal year 1978. About 55 percent or 3.1 million of these individuals will be young persons—under 22 years old—nearly 60 percent or 1.8 million of whom will be minority youths.

The Department has directed prime sponsors not to reduce the relative number of opportunities or quality of services for youth under title I of CETA in fiscal year 1978 because of the new resources available under the Youth Employment and Demonstration Projects Act. This will help to assure that the net planned increase in youth employment opportunities in fiscal year 1978 is achieved. We anticipate that an estimated 865,000 young persons will be served under title II of CETA—comprehensive employment and training service—340,000 under titles II and VI—public service jobs—1.1 million under the summer youth programs, approximately 400,000 under the new youth programs, and the balance under other CETA programs.

In addition to programs under CETA, many of our other programs serve large numbers of youth. For example, local offices of the Federal-State Employment Service system are expected to place 1.6 million youths in jobs with private sector employers during fiscal year 1978. Additionally, the work incentive program—WIN—will serve about 200,000 youths in fiscal year 1978. Finally, 255,000 young apprentices are in programs registered with the Department's Bureau of Apprenticeship and Training.

YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS ACT

The continuing severity of the youth unemployment problem and the need to supplement other ongoing employment and training programs for youth led to the enactment of the Youth Employment and Demonstration Projects Act on August 5, 1977. The act created four new programs designed to increase employment, to increase employability, to coordinate and improve career development, jobs and training programs, and to explore a number of innovative approaches for providing services to young people. Discretionary funds were also provided in order to experiment with new approaches for solving the employment problems of youth. The four new programs are the Young Adult Conservation Corps, the youth incentive entitlement pilot projects, the youth community conservation and improvement projects, and the youth employment and training programs.

I would like to review the current status of the implementation of these programs.

YOUNG ADULT CONSERVATION CORPS

Since work was already underway on the Young Adult Conservation Corps in anticipation of final passage, we were able to sign an

interagency agreement with the Departments of Agriculture and Interior by August 25, 1977. In developing this tripartite agreement for operation of the program, the three Departments tried to achieve a reasonable balance between providing valuable work experience for participants in meaningful jobs and serving as many youths as possible with a limited amount of funds. It was determined that the best balance could be achieved by placing the major program emphasis on supervised work experience in a positive work environment, with less emphasis on services and training. In order to maximize the number of youth participants, the agreement reached by the three Departments specifies that the cost per work position is not to exceed an average of \$10,500 per year.

Preliminary YACC sites for the first quarter of fiscal year 1978 have been identified by the Departments of Agriculture and Interior and the first enrollees began participating during the week of October 23. The current schedule of the Departments of Agriculture and Interior to fill the 16,000 slots under the Federal part of the program calls for the development of almost 8,000 slots during the first quarter of fiscal year 1978, slightly less than 2,400 during the second quarter, about 2,000 in the third quarter, and the remaining 3,600 in the fourth quarter. Phase-in schedules of the State program's 6,600 slots are not yet fully developed, but the first participants are expected to start in January 1978.

We expect to publish regulations for the Federal portion of the Young Adult Conservation Corps program later this month; we also expect the Departments of Agriculture and Interior to publish regulations for the State program in December.

YOUTH INCENTIVE ENTITLEMENT PILOT PROJECTS

With respect to the youth incentive entitlement pilot projects, we are also well underway in carrying out our implementation plans. As you know, the basic purpose of the entitlement projects is to test the feasibility of guaranteeing jobs to 16- to 19-year-old disadvantaged youths as a means of increasing the high school attendance and completion of those who are currently in school or willing to return to school. A two-tier approach will be used to test the concept. The first tier will consist of four to six projects covering large areas. These will be extensively studied to evaluate the costs and impacts of the projects. The second tier will consist of 8 to 10 smaller projects to test a variety of innovative concepts.

On September 2, within a month of the law's enactment, an entitlement project preapplication package was distributed to all CETA title I prime sponsors. Over 150 preapplications were received from the sponsors. These were reviewed by an impartial interdisciplinary review panel and top officials of the Department. On October 26, the Department selected 32 prime sponsors to receive planning grants to enable the sponsors to prepare final applications. These applications are to be submitted to the Department by December 14, 1977.

The entitlement projects program was included in the legislation to test the feasibility of a guaranteed job; therefore, a rigorous research design has been developed. Projects are being funded for an 18-month period from January 1978 to June 1979 since it is important

that at least one full school year be included in the study period. Because of the totally new and experimental nature of the programs, it is difficult to estimate slot levels with any specificity, but we are currently estimating that 19,200 slots will be funded with phase-in occurring during the 4 month period of January to April 1978. Project participation is limited to the economically disadvantaged and considerably over 60 percent of those participating are expected to be minority youth.

YOUTH COMMUNITY CONSERVATION AND IMPROVEMENT PROJECTS; YOUTH EMPLOYMENT AND TRAINING PROGRAMS

I would now like to turn to the remaining two programs—youth community conservation and improvement projects and youth employment and training programs. The former seeks to employ youth in well-supervised work with a tangible output which will be of benefit to the community. The latter authorizes a broad variety of employment and training programs designed to enhance the job prospects and career opportunities of young persons and innovative and experimental programs designed to test new approaches for dealing with the unemployment problems of youth.

On the day the Youth Employment and Demonstration Projects Act was signed, the Employment and Training Administration published program funding estimates for CETA prime sponsors for both of these programs. At the same time, the Department announced planning grants for immediate use by prime sponsors in planning quality programs for youth. Thus, prime sponsors knew immediately the parameters of their funding levels and had resources to hire staff to begin preparing for the program.

Because of the President's concern over the high rates of youth unemployment, and particularly minority youth unemployment, the Department proceeded as rapidly as possible to finalize the regulations for the two programs. As a result, these regulations were published on September 16, 6 weeks after enactment of the law.

Most prime sponsors have moved rapidly in their planning. We expect to make the first grants later this month, with most to be signed in December. We believe that prime sponsors must make every effort to maximize the services provided with their funds. We have therefore emphasized that they should carefully inventory all community resources available to youth in order to use their funds to complement these activities and avoid duplication. Furthermore, we share with the Congress the desire to forge strong linkages between CETA prime sponsors and local education agencies and community-based and neighborhood organizations. As a result, prime sponsors are required to plan, comprehensively and must involve community-based organizations, labor unions, and local education agencies in the planning process. The law requires that unions review prime sponsor plans prior to submission to the Department of Labor regional office; this procedure has also been applied to community-based organizations.

To insure that youths experiencing the most severe handicaps in obtaining employment are served by the youth community conservation and improvement projects and youth employment and training programs, we require in the regulations for both programs that prime

sponsors give preference to the economically disadvantaged and that they include in their plans the procedures they will use to assure that preference is given. We expect on the basis of our CETA title I experience, that at least 60 percent of the participants in the two programs will be minority youths. We have also stressed the roles of community and neighborhood organizations to increase minority participation. With respect to the youth employment and training programs, prime sponsors must accord special consideration to community-based organizations by assuring that they are involved in the planning process and that they have an opportunity to compete for the delivery of services. The regulations for the youth community conservation and improvement projects provides that the prime sponsors give primary consideration to applications from neighborhood and community organizations.

With current youth employment and training program funding levels, we expect that prime sponsors will be able to build to as high as a 149,100 slot level by June 1978, and could maintain that level for the remainder of fiscal year 1978. We also expect that they could build to a level of around 22,600 slots in community conservation and improvement projects by March 1978 actual data will, however, have to wait the submission of the plans. Because the programs are a part of the overall economic stimulus program, prime sponsors have been instructed to plan to spend their full allocation as rapidly as possible consistent with sound program management.

JOB CORPS EXPANSION

On January 31, 1977, the Job Corps had 59 centers in operation with a capacity of 20,500 enrollees. In February 1977, funds were made available to expand program enrollment by 10 percent to 22,700. This was to be accomplished by the expansion of existing centers and by the establishment of two new centers, one in Glenmont, N.Y. which was opened in April 1977 and one in Crystal Springs, Miss. in September 1977.

While the Job Corps was completing its 10 percent expansion, Public Law 95-29 was enacted in May 13, 1977 as part of President Carter's economic stimulus program; this law appropriated funds to the Department of Labor to increase the size of the Job Corps program to 44,000 enrollees by the end of fiscal year 1978. We are firmly committed to meeting this goal.

We plan to open 40 to 50 new centers and, at this time, are ahead of schedule in getting these new centers underway. We have already identified a total of 29 new contract Job Corps centers having a capacity of over 11,000 new slots, and we are also establishing new Job Corps civilian conservation centers. Eleven potential civilian conservation center sites have been identified with a total capacity of 2,700 new slots.

The Job Corps expansion plan includes a variety of innovative training programs such as establishment of satellite centers, linkages with community and junior colleges, and private industry/union work experience programs.

CONCLUSION

In closing, I wish to emphasize that as we are moving to implement the four major programs and the discretionary projects under the

Youth Employment and Demonstration Projects Act and moving forward on the Job Corps expansion and other youth efforts, we are mindful of our responsibility to develop the knowledge and experience necessary to recommend future national youth employment and training policies. We look forward to working with you in meeting this challenge.

I would like to congratulate you, Mr. Chairman, for your personal efforts on behalf of the bill and we hope that we will be able to implement that bill to the credit of both the Congress and ETA.

Mr. HAWKINS. Thank you, Mr. McConnon. Do any of the witnesses seated at the table wish to add to the testimony at this time? If not then perhaps we can proceed.

Mr. McConnon. I wish to compliment you on a very excellent statement. I think it summarizes many of the points that we had anticipated including in the questions of the Department.

May I first of all ask this: We had discussed in the handling of the bill in the subcommittee the question of the \$1.5 billion appropriation. It is my understanding that there is some question about the \$500 million supplemental appropriation to finance the Youth Employment and Demonstration Projects Act. Would you clarify for us what happened to this request? In effect, what has happened to the \$500 million supplemental?

Mr. McConnon. We went up in late September, I believe it was, for the extra 500 million. The conference language came back to us, stating that they would not provide the 500 million at this time but would reconsider in the spring the supplemental in the 1979 appropriation. So we did submit for the extra half billion. But it was denied.

Mr. HAWKINS. Can you recall the reason why it was denied?

Mr. McConnon. I don't know that there was anything in the conference report that expressed a reason. I think it was probably based on a consideration we would not be able to spend the money at this particular point in time.

Mr. HAWKINS. The request however was made?

Mr. McConnon. Yes, the request was made by the administration.

Mr. HAWKINS. Based on the \$1.5 billion amount, the discussion as I recall during the hearings, implied a little over approximately 200,000 jobs. Now there has been some confusion created by different estimates being used. I won't identify necessarily those who have used different figures. Needless to say there have been some used, all the way up to as many as 450,000 jobs.

I think Secretary Marshall himself indicated that some 443,000 individuals would be enrolled. Can you reconcile these extreme differences? Can you tell us specifically what actual number of jobs is involved in this amount, assuming that we are confining it at the present time to the one billion rather than the \$1.5 billion?

Mr. McConnon. Several of the programs designed are such that until you actually see the proposals come in it is hard to estimate just where we will be in terms of numbers of slots and the cost per slot. These vary by program design and geographic area and so on. Mr. Taggart would probably be able to add to that in terms of numbers.

Mr. TAGGART. The phasing-in in most areas will begin in January. We do not know what the number of in-school and out-of-school projects will be. The cost of an in-school project is usually about half that

of an out-of-school project. We do not know the mix of high- and low-cost approaches which will result. It is left to local decisionmaking. Therefore, we do not have firm figures on the number of people we will be able to serve with the resources available.

Mr. HAWKINS. Then you are saying the explanation involves assumptions with respect to the job mix. In that connection are you considering that many of the individuals, many of the young people, will desire only part-time jobs or be in or out of the job market? Are you speculating on using this amount of money to cover many more than the original figure on the basis that these will not be of long duration and for that reason you could actually reach that number of persons? I am just wondering whether it is based on some speculation or whether it is based on some experience.

Mr. TAGGART. Our original estimates of up to 250,000 jobs—which translates to opportunities for approximately 400,000 youth—was based on our best guess of what would happen based on our experience in title I. There certainly as to precise numbers comes from the fact that we are phasing-in a new set of activities. When we get to a steady operating level, it will be easier to know what an annual slot level will be.

Mr. HAWKINS. Will you by the first of the year be in a better position to tell us more specifically as to the number of individuals that will be served in this program?

Mr. TAGGART. We certainly will, sir. We are going to have the plans that are submitted by the prime sponsors in the regional offices submitted also to the national office. We will receive those plans in order to provide the information because this is a new program with new approaches. I know you are interested in finding out how it works.

Mr. HAWKINS. Several studies have charged that there is a shortfall in the expenditure of the funds for CETA—I believe one figure used was \$1 billion, another 500 million, that had not been expended—and for which there seems to be no explanation. I know one figure had implied that overall about \$500 million had not been expended for this year in the various programs.

The 1 billion or the 500 million, whichever it is, assuming that the charge had some validity to it, relates basically to all titles of CETA.

Just confining the question then to that over which you have some jurisdiction, can you explain whether or not there is some validity to this fact that money which has been authorized and appropriated is not being expended in the order in which it should have been expended? Can you give any explanation for any such charge?

Mr. HEWITT. There will be some carryout at the end of this fiscal year, as there was carrying at the beginning of this fiscal year. I don't have the exact number. We are in the process of updating those for submission to Congress in January as part of the President's budget.

But we did take a look at public service employment programs just recently, which is running in excess of \$6 billion. The carryover we expect on that will be something less than 7 percent. That would carry forward into the following fiscal year. That is not disproportionate from what we carried in this year.

A number of the projects in the new youth bill, for example, the youth entitlement program, have to be funded for a substantial period of time to develop the kind of knowledge that the committee wrote

into the bill. That money will be obligated to the prime sponsor. But it won't be actually outlayed all at one time. So there will be some carryover in expenditures of obligated funds into the next fiscal year. Those conceivably in total over all of the titles of CETA could run to a billion dollars. Out of almost \$13 billion funding, that is a fairly modest carryover. It is not a question of not using the money. The money is all out. It is just tied up in projects that haven't run their full course by the end of the fiscal year.

Mr. HAWKINS. Do you have any idea what the carryover from the previous administration was when you assumed office in January? You indicated there was a carryover. Do you know what that amount was?

Mr. HEWITT. The program in fiscal 1977 of course were already funded. They were supplemented by the President's economic stimulus package. For instance the public service employment program under titles II and VI was funded through the balance of fiscal 1977 that just ended at the 310,000 level. I don't have the dollars right at the top of my head. But there was a substantial amount of unexpended funds in the process of being used in fiscal 1977. The economic stimulus package added very substantial additional amounts to get a public service employment program up to 725,000 early in the new calendar year 1978, and then hold that for the balance of fiscal 1978.

Mr. HAWKINS. Do you think the carryover which may remain at the end of the fiscal year would approximate the amount that was carried over from the previous administration when you assumed office?

Mr. HEWITT. It is difficult to talk about a carryover in the middle of a fiscal year. When the new administration came in, fiscal 1977 was underway one-quarter already. From the prior fiscal year there was a carryover. The whole program was funded at a substantially lower level, the \$4 billion to \$5 billion range rather than at the \$12 billion to \$13 billion range. So the amount of carryover would be presumably larger. The percentage of carryover I don't think would be any larger.

Mr. HAWKINS. Are you saying in effect that this carryover—let's call it a "budgetary item" rather than a policy decision of some kind to spend or not to spend—in any way affects the programs? Are you saying that in no way then is this amount because of a reduction or a delay in the programs, that the programs are progressing on schedule and that this amount does not in any way affect you? If made available to you could you use it at this time in enhancing the programs or expanding the programs to more adequately meet the needs of young people?

Mr. HEWITT. My judgment, Mr. Chairman, is in the startup phase of the new Youth Act programs which we are in, there is a limitation on how much money you can add and put to use and spend all at one time. As we get the program well under way and get a base of enrollments, I think it is undoubtedly expandable, and the extra \$500 million would be used to provide that expansion during calendar year 1978. The \$500 million couldn't all be expended during that year; it would be tied up in projects. It wouldn't be a policy decision to hold it here in Washington. That is not what the problem is with any of this. It is in prime sponsors' hands in projects that they have committed to subgrantees to carry on for a period of months. Those periods of months will extend frequently beyond the fiscal year.

Mr. HAWKINS. And in no way does the Office of Management and Budget influence the expenditure of these funds or the failure to expand them?

Mr. HEWITT. No, sir. There is no taint of impoundment whatsoever or slowing down.

Mr. HAWKINS. That is a expletive around here. In one administration "impoundment" was an outright withholding of funds. Then we had a period in which it was done silently. We don't want to see a continuation of it under this administration. But when we hear these charges they obviously point in that direction. That is why we are rather specific in trying to ascertain the extent to which it may be a policy question.

In 3 months we will possibly ask you to come back. Maybe by that time we will be able to tie it down a bit better.

Mr. McConnon, beginning on page 1 and continuing on page 2 of your statement you outlined the various programs and the number of young persons that are going to be served. I won't repeat your comments. But the figures seem to add up to a very substantial number. I would assume we are talking about several million, young people, involved.

Anyone reading that would be hard put to explain why there is the continuing rate of high unemployment among young people. How can you explain that the rate and particularly with respect to minority youth, has actually gone up in the past 6 months as these programs have been put into place? It seems that we are losing ground fast even though we seem to be accelerating the expenditure of money on the problem. What is the answer?

Mr. McConnon. We have heard the statement made that we must be reaching saturation in jobs for youth. That is far from the case. Youth as a group is not a very stable thing. In other words you can look at the BLS figures and you get a total or a point-in-time figure which can be quite misleading.

What you actually have is a body of youth who are very fluid and who come into the job market and leave the job market very quickly and in substantial numbers.

As far as we are concerned we would like very much to get to a saturation point to see if we couldn't stop some of the problems we have. We feel we are a long way from that even though the numbers are very high.

Mr. HAWKINS. I understand it is some 2.7 million who are or will be served. How do you explain that they are in and out of the job market? Probably most of them have dropped out of school or they have graduated. They are not going to go back to school. Where do they go when they are out?

Mr. HEWITT. Mr. Chairman, most of them are not in the job market. That is to say they have ceased looking for work or never started. So they are not counted in the unemployment numbers.

Mr. HAWKINS. If they ceased looking are they still in need of a job?

Mr. HEWITT. Undoubtedly many of them are in dire need of a job. It is a statistical problem. They are not counted among the unemployed. You will recall the report of the BLS about the 1st of August of this year. It showed that the black labor force participation rate for youth, the percentage of young people who were actively in the labor

market actually went up during the preceding year for the first time in well over a decade.

The black teenage participation rate, however, is only 60 percent in the summertime contrasted to white youths in which the participation is 75 percent. So that is 15 percentage points more white youth participating in the labor force last summer than there were black youths. That is an awful lot of growth of kids that can be brought back into the labor force when they see some hope, some opportunity and some realistic shot at a job.

There is a sense in which programs that give them that hope attract young people into the labor force in greater numbers than would otherwise be there. So you have a counterbalancing effect on the youth unemployment rate simply by the expansion of opportunity.

Mr. HAWKINS. We know that these individuals even though they may be technically not considered unemployed because they are not seeking jobs are seeking something, either some job or some trouble to get into.

I know in my own district—I will make this personal reference because I am familiar with it—that the unemployment rate is possibly double the official rate. So what you have is gangs of young people who are roaming the streets, who are getting into trouble, the same as I and others got into trouble when we were that age. We had nothing to do. They have given up looking for jobs.

What is being done to actually pin down this problem? Whether you have the jobs for them or not, they are still out looking for something. If the jobs were available do we have the programs ready to be put into place in order to meet them? Are we funding them enough? Why don't we have the jobs for them?

I know we always have a problem with summer jobs. Long about April or May we begin to worry about it without any definite planning. Everybody says we are going to get these jobs someplace. Then we end up not getting the jobs. I am wondering whether we are simply not planning enough jobs, that we are not retaining individuals who go through these programs to the extent that we are giving them marketable skills. Then we are losing all track of them once they have left the program.

I am not saying this by way of criticism of the Department of Labor or this administration necessarily. But it seems to me it is a persistent problem that we have been talking about ever since I have been in public office, which is longer than I care to recount today. But it doesn't seem to have reached any solution.

If I was reading this and I was the President sitting in his position I would conclude that we are doing all that we can do in this administration. But I don't think the President feels that way. I am confident that he doesn't.

But I think that he probably would read this and conclude that there isn't much else to do. I am afraid that in his new budget in mounting new initiatives that these figures may actually discourage us because they seem to be rather enormous in their possibility of really reaching the problem.

Mr. HEWITT. Those figures include, I believe, 1.1 million summer jobs. They are just for the summer. Of course a summer job doesn't do anything for young people in the wintertime. So that balloon figure of

9.7, while it is real, it has to be broken down, disaggregated, to put it in the proper perspective.

It is a substantial program. As your own observations demonstrate quite accurately it is not near saturation to provide jobs to all the youth that you and we probably think ought to be at work. I don't know what they think, but the rest of us think they probably ought to be at work. Most of them want to be at work.

Mr. HAWKINS. Can we come up with some figures or some supporting evidence that we are not doing enough to reach the problem? Because I suspect that if the supplemental was turned down the rationale may have been that enough was already being done and that no additional amount of funds would be needed to do a better job.

It seems to me we have got to face the problem that if these figures continue—of course in another quarter we will know whether it is a long-term trend rather than a short one. But for 3 months I have been listening to Mr. Shiskin give explanations on this. Once or twice he explained it as being the manner in which the count was taken. If you took it in one week rather than the previous week, that made the difference with the result that he was off the track. But he is still off the track by trying to explain statistics rather than encouraging the development of programs.

I am not going to continue in this line of reasoning this morning with you. I feel it is too early to isolate this problem more definitely. But certainly within the next 2 or 3 months it is going to be the work of this committee to explore the possibilities of more adequately reaching the situation because in 3 months from now if the unemployment rate is approximately what it is now I think it is a continuation of what is already an unconscionable neglect of the problem. So we expect more definitive answers after you have had an opportunity to get some experience with these new programs.

Mr. TAGGART. Mr. Chairman, we are conducting several demonstration projects which will help to answer these questions. One is the entitlement project with its guarantee of jobs. We did some preliminary and crude calculations and estimate there is a vast reservoir of youth who will be applying for these jobs. One of the things we are going to test and get a quick fix on, probably by February or March, is we will be able to tell how many kids will return to school or are already in school and will want jobs.

Also we are doing a project testing the National Youth Service concept which is a guarantee of employment for those who want to serve in the community. This will also test how many youth would take jobs if available.

In addition, we are funding a conference jointly with the National Commission on Employment and Unemployment Statistics to find out more about the meaning of the published statistics. We have done some preliminary calculations in that regard also to calculate the wage bill deficit for 16- to 19-year olds. There is no question that there is a large number of youth who are seeking jobs who will take jobs if they are available. We will get some preliminary numbers on that in maybe 4 months.

Mr. HAWKINS. Let us look forward tentatively to meeting again in January on this issue and see how we make out. In the meantime I am sure we will have some weekly communication with you because it is serious.

Let me yield now to others who have questions to ask. Mr. Radcliffe is representing the minority on the committee.

Mr. Radcliffe?

Mr. RADCLIFFE. Thank you, Mr. Chairman.

Mr. Sarasin had a number of questions he wanted asked that I would like to submit for the record and let the Department have the opportunity to answer them without taking up the time of the subcommittee.

Mr. HAWKINS. Without objection the questions will be entered in the record and directed to the Department of Labor and their reply. That reply will also be entered into the record at the appropriate place.

Mr. RADCLIFFE. I have a couple of what I hope will be very brief questions.

Mr. HAWKINS. You may proceed. Take your time.

Mr. RADCLIFFE. Bill, on this 7 percent carryover that Chairman Hawkins was questioning about, does that include the \$500 million that you expect to get hopefully early next year?

Mr. HEWITT. The 7 percent was our most recent estimate just of the public service jobs under titles II and VI, the range of carryover in that program on the basis of about whatever it is. It is running close to \$8 billion in terms of available money.

Mr. RADCLIFFE. That half billion was being asked for the youth programs?

Mr. HEWITT. That is correct.

Mr. RADCLIFFE. Do you expect then that the total funds appropriated for this fiscal year will be expended in this fiscal year or would you expect a carryover with the youth programs and if so how much?

Mr. HEWITT. I guess Mr. Taggart ought to really respond. He is closer to it than I am. It depends on when the appropriation gets here, among other things. If the appropriation supplemental is in May, there is less likelihood of expanding that \$500 million, a significant part of it, in this fiscal year, than if it was in January or if we got it this fall.

Mr. RADCLIFFE. Let me ask you that in a somewhat different way then. Would you expect to be able to obligate it or to have it out there ready for expenditure as programs develop?

Mr. HEWITT. Yes, indeed.

Mr. McCONNON. Yes.

Mr. RADCLIFFE. Mr. McConnon, as you know in the Education Amendments of 1976 in title II where we rewrote the Vocational Education Act, we also amended CETA in a number of respects.

In both acts we were trying to build linkages between CETA and vocational education. I am sure all of you at the table are aware of the difficulties that have been encountered in the field of building these kinds of relationships. I think everybody wants to see closer cooperation between CETA and vocational education.

I am just wondering if there are any special steps you are taking or plan to take to make CETA and vocational education work together and work more effectively and more meaningfully.

Mr. McCONNON. Yes, we are. I am not quite sure how you define "vocational education."

Mr. RADCLIFFE. I am talking about primarily public vocational education that is assisted with Federal funds through the Vocational Education Act of 1963 as amended.

Mr. McCONNON. That is written into the legislation. We have it written into our regulations. We are very much a part of that. That is a very vital link as far as what Congress wanted and it is also a vital link as far as what we want.

Mr. RADCLIFFE. As one who has been associated with both these acts—and I think I may be the only staff member in the Congress who has had principal responsibility for both CETA and Vocational Education at one time or another—I certainly recognize the difficulties on both sides. I think that progress is being made. I am encouraged by what the Department of Labor and HEW are doing in working together in interdepartmental efforts. I just hope this can be extended to the State and local levels.

Mr. McCONNON. I think we have a better relationship now than we have ever had before.

Mr. RADCLIFFE. That is my feeling.

Thank you, Mr. Chairman.

Mr. HAWKINS. The chairman of the full committee, Mr. Perkins, is represented today by Mr. Hugh Duffy. I know that Mr. Perkins would like to have been here because this is something that is very close to him, particularly the Job Corps part of it. But unfortunately he could not.

Hugh, would you care to ask me some questions at this point?

Mr. DUFFY. Yes. Thank you, Mr. Chairman.

Mr. Perkins asked me to express his general confidence in the people who are administering the new youth programs. It is a very difficult problem to tackle. We have been working very closely with Bob Taggart, Ray Young and Leon Anderson, who is sitting in the audience and will be testifying shortly. So the chairman wanted to express his general satisfaction with the way things are going.

There is one question I would like to direct to Ray Young. We hear a lot of criticism as we go around the country that it is taking too long to expand the Job Corps. I wonder if you could detail some of the factors that make it difficult to set these centers up rapidly.

Mr. YOUNG. Yes. We are attempting, Mr. Duffy, to establish centers in communities where the youth are, concentrated and where the centers are needed. We try to work very closely with the community to gain acceptance by community-based organizations, prime sponsors, and others.

The most difficult task we have is the identification of sites that lend themselves to a residential program, that have the educational, vocational training and recreational facilities. The identification of suitable sites is not an easy task. We have looked at literally hundreds of sites during the past 7 to 8 months. Once we find potential sites, we must go to the Governor and officially request or advise him that we are planning a center. He has 30 days in which to advise us whether he would like to have us open the center.

We have through an intensive effort, identified 10 centers to date where we have gone to the Governor and have asked for and have received his approval. These sites are in a state of preparation, construction and rehabilitation. These 10 centers will be launched starting in January with minor input in the month of January. The majority of them are being prepared for input in May, June, and July of next year. These first 10 will accommodate approximately 4,000.

We have gone to Governors for seven additional sites. As soon as we get approval we will start construction and rehabilitation. These sites will be launched and receiving youngsters in June, July and the latter part of the summer.

We have indentified and are in the advance planning stages of and doing preliminary design work at this time for 12 additional sites which will accommodate approximately 5,000 young people. They will be launched in January, and slowly escalating in June, July, and the succeeding months. We will have 35,000 youngsters in this program by the end of fiscal 1978 with the other sites ready to proceed to the 44,000 level.

Compared to previous expansion of this program, we are making exceptional progress. In the expansion of 1972 and 1973 it took a minimum of 13 to 14 months to get a center established. We are doing it in about 6½ months average at this time.

Mr. DUFFY. I remember about 10 years ago if you went into a community and said, "Do you want this Job Corps Center" normally there would be a storm of opposition. Is there any difference now when you go to a local community?

Mr. YOUNG. There is a difference this time. We have had communities and public officials invite us to establish Centers. However, in each instance to date we also find small but sometimes very vocal pockets of opposition. We have spent, in several cases, months in holding public meetings. Job Corps officials participate and explain the program. When this is done we generally get the acceptance of the Governor and the community. This has not always been the case. At one time, we worked as much as 12 months to get a Center. If the community did not desire it, we did not establish the Center.

Mr. DUFFY. Do you notice a change in community attitudes once a Job Corps Center is established? Susan Grayson and I have visited three Job Corps Centers. They have had tremendous community support. I wonder if you could detail the factors that change people around.

Mr. YOUNG. Each Center has a community relations panel in which they have representatives of the community, the industry, the local elected officials, and the community-based organizations. There is active involvement between the Center and this advisory body. This is what it turns out to be. They invite the public into the Center to tour the Center.

Early on, when we were establishing Centers we sometimes had local opposition. Once the Center were established and there was cooperation between the community and the Center the public in fact were very strong supporters of the program.

Mr. DUFFY. I have just one more question, Mr. Chairman. That relates to the reenactment of the CETA program. What recommendation will the Department make about the youth program. Do you plan to recommend an extension of this program for a year or so without any changes?

Mr. McCONNON. I am not so sure about the "without any changes." I would like to reserve that one. I do think there will be a recommendation from our office that the program be extended. We don't think the limited time we will have the program in operation will give us all the answers that we need. We may very well discover some

things that we think should be changed. These will be looked at prior to any further extension.

Mr. RADCLIFFE. May I follow up on that, Mr. Chairman?

Mr. Sarasin and I think all the Members on our side have an interest in the youth incentive entitlement program. Were you including that among those programs which you feel pretty definitely you will ask for an extension of?

Mr. McCONNOR. At this point in time, yes.

Mr. RADCLIFFE. Could you speculate as to whether you would ask for a 1- or 2-year extension?

Mr. McCONNOR. No, I couldn't do that. I am out on a limb far enough right now.

Mr. RADCLIFFE. OK. I understand that. Do you feel it would be included in the program?

Mr. TAGGART. It is important to recognize that the programs themselves are funded for 18 months.

Mr. DUFFY. Bob, do you think the evaluation studies will be completed in time for this committee to make use of them before the May 15 deadline?

Mr. TAGGART. We plan to have a comprehensive evaluation on March 15 covering all aspects of the programs. We are laying that foundation already.

Mr. DUFFY. Fine. Thank you, Mr. Chairman.

Mr. HAWKINS. Since the question of what recommendation you would make with respect to CETA is of interest, are you in a position to indicate what you would recommend on the expansion and continuation of CETA?

Mr. McCONNOR. We are not in that position right now. We are in the process of developing our legislative package. We are not that far down the road yet.

Mr. HEWITT. We will have it in the Department in less than a month. But there will be certain external clearances. We will want it to go through OMB and get the administration's blessing on what the Department would propose to do.

Mr. HAWKINS. We may have a bill in before you then.

Mr. HEWITT. I hope not.

Mr. HAWKINS. We had a youth bill before you did. You are fully aware of the targets that we must conform to. It is sometimes difficult to hold hearings without a bill. If we do go that route of putting in a bill I would think you would understand that it is for the purpose of receiving testimony on the various aspects of the problem and not an attempt to get ahead of you necessarily. Although we would appreciate your getting ahead of us.

Mr. McCONNOR. We are going to try.

Mr. HAWKINS. I have several questions, Mr. Young, with respect to the Job Corps. I think the best thing to do would be to submit the questions to you in writing and then have you respond in writing.

Mr. HAWKINS. With respect to just one or two, however, would you give us the statistics on the percentage of the Job Corps that is minority and the percentage of how it is divided according to sex?

Mr. YOUNG. Yes, sir. Seventy percent are minority, with 55 percent black, 9 percent Spanish surnamed, 3 percent Indian, and 30 percent white. I have rounded these off to the nearest percentage point.

As far as female, it is presently 33.3 percent of the total. We have increased over the past 3 years very gradually from 25 to 28, now to 33 percent. We are shooting for a 50 percent.

Mr. HAWKINS. Do you find difficulties in doing that?

If so, what are the difficulties?

Mr. YOUNG. We have had no real difficulties in achieving the 23 percent. As far as achieving the 50 percent, we may have difficulties because of the reluctance of families to let their daughters go away from home to centers, and the fact that many of these young ladies have children and cannot leave. Because of these factors, it is more difficult to recruit female enrollees in this program.

We have traditionally carried a larger male backlog of applicants than we have female. I would like to see the day when we have approximately 50-50 as far as capability, and then we serve those who need service regardless of whether they are male or female. But our target is 50 percent female at our new centers.

Mr. HAWKINS. Does the question of who operates a center have anything to do with the enrollment and success of a center? For example, for a long time I kept up with an urban center in Los Angeles. It happened at that time to have been in my district, operated by the YWCA. I considered it one of the better centers. They seemed to have no trouble whatsoever. I am wondering whether in searching for operators this has something to do with whether or not you are able to actually build a center up in terms of women, depending on who operates the center.

Mr. YOUNG. We have not experienced any appreciable difference in these areas because the recruitment is accomplished essentially by the employment service. Of course, the overall effectiveness of the operation of the center does impact. But there is very little difference today in the retention rate, length of stay, this type of thing, between our centers regardless of who operates them. Our performance is uniformly quite good.

Mr. HAWKINS. I have one question asked of me and I would like to ask it of you. Are there any minority contractors operating the centers?

Mr. YOUNG. The Cleveland Job Corps center is operated by Alpha Kappa Alpha, Inc., which is a black sorority incorporated for the operation of the Job Corps center.

Mr. HAWKINS. Is that the only one?

Mr. YOUNG. That is the only one.

Mr. HAWKINS. Is there any difficulty in getting others to operate? Are any efforts being made?

Mr. YOUNG. I have had meetings with community-based organizations including OIC, NUL, and SER. Our policy is to receive requests for proposals. It may be somewhat difficult to provide total management. We are looking at ways to involve minority organizations in specific components of centers as well. For instance, the Trade Council in Philadelphia has indicated an interest in operating either a total center on a competitive basis or a vocational skills program where they have ties with industry. There are ways in which they can be involved, and we are trying to do this.

Mr. HAWKINS. Thank you. I will send the questions to you, Mr. Young.

Just one final question. An announcement was made by the Department early in the year that—I am quoting—"simpler and more appropriate methods for private firms to participate in Federal employment and training programs" were being established.

In view of the fact that witness after witness has testified that the private sector should be involved—actually, one of the youth programs, the Sarasin one, I think, carries this purpose out more than any other—let me ask you: In what way do you think the Secretary's discretionary funds may be used to accomplish this objective, and are you exploring ways in which you think this can be done? That seems to be a very difficult problem apparently.

Mr. McCONNOR. That is a very difficult problem. At least five out of six jobs in the country are still in the private sector. We have to tap that market in some way. At this point in time we have not been very successful. We will have to admit to that.

One traditional way we have tapped the private sector is through on-the-job training. We are still doing a certain amount of that but not anywhere near enough.

The Secretary of Labor has established a labor-management committee where he is meeting periodically with top people in the labor movement, top people from the Business Roundtable and other groups to discuss just what can be done in the area of getting the private sector involved.

We do, of course, work through the Business Roundtable now and National Alliance of Businessmen in respect to the HIRE program, which is basically an OJT-type program.

We wish we had answers. We are exploring various ideas that we have been seeking from all over the country to determine just what kind of a policy we can have to get into the private sector. It is very difficult.

Mr. TAGGART. YEDPA has set aside roughly \$20 million for experimentation with specific efforts directed at private sector employers. We have culled all the ideas that we would find and looked at their feasibility. We are going to test small business apprenticeships like the Open Roads project in California. We are going to test the effectiveness of intermediaries in the labor market that could eliminate redtape in hiring youth. We are going to test various youth enterprises. We are going to test subsidies for employment, going back to the variety of OJT contracts that we have had since 1960. In the Job Corps, we are trying to get private sector employers to adopt specific Job Corps centers for training, and then guaranteeing employment for participants.

This is one of the things we hope to be able to summarize for you in our March 15 report in which we hope we can come up with some answers.

Mr. HAWKINS. Another question, I understand you are having some difficulty of a definitional nature with guidelines concerning local educational agencies. Would you explain what difficulties you are having?

Mr. TAGGART. We do not have any difficulties in that regard. A primary goal of YEDPA is to break the barriers between the education systems and the employment and training systems. The public schools, of course, are the primary mechanism for educating kids. It is crucially important that we sit down with the school systems and think through joint ventures and problems.

We reason that by limiting the LEA definition to public schools, it forces this dialog rather than permitting prime sponsors to avoid dealing with public schools by going through a private college or some nonpublic institution.

Almost all of the prime sponsors spend more than 22 percent of their youth funds under title I on students in public schools. The requirement that an agreement be signed with public schools will not redirect resources, but rather will achieve the desired interchange. There is more than enough money left over for programs with junior colleges. In fact, we have seen throughout the CETA program that there has been an increase in linkages with junior colleges. We are promoting those linkages in our Job Corps expansion plans.

We think we will get a balanced approach to this, and that we will get the CETA systems to sit down with the schools and talk things out.

Mr. HAWKINS. Is it fair to say you are having some difficulty getting the prime sponsors to sit down with people from the education field?

Mr. TAGGART. To date, we have had a surprising degree of cooperation. We had 152 application for the incentive entitlements projects portion. These indicate a great degree of cooperation between the schools and the CETA prime sponsors; more than we had in the past. The applications reflected a thinking through of mutual efforts. We hope to achieve the same thing with our other demonstration programs, and with the YETP planning also. I do not think we have a difficulty.

Mr. HAWKINS. In connection with your agreements with the Federal agencies I notice in the agreement with HUD you had outlined administrative positions and of the nine positions some are at the GS-14 level—the GS-13 level and some are at the GS-12 level. They seem to be rather high-level positions. I am wondering what is the explanation for making this type of an agreement with HUD. I assume there is an explanation for these high-level positions.

Mr. TAGGART. The figures you are talking about are dollars. These are not numbers of GS-13's.

Mr. HAWKINS. Both.

Mr. TAGGART. We negotiated with them to try to trim down the number as far as feasible. This is an experimental program to test the effectiveness of delivery systems. In this case, it will be required for HUD to give a great deal of technical assistance to these community development corporations. We do not want the CDC's to flounder. We want them to be built up and strengthened. We will try to keep the technical assistance needed to a minimum, however.

Mr. HAWKINS. Do you think that number is required for demonstration purposes? It is roughly \$206,000 in terms of dollars for these positions.

Mr. TAGGART. One way we have to look at it is a percentage of the money which is being transferred. The administrative costs of this demonstration will not exceed the average for the program. We are looking at this closely.

Mr. HAWKINS. We are also concerned as to why it was done through HUD and not through CSA for example.

Mr. TAGGART. We are dealing with CSA as a joint venture on some other issues. We consulted with CSA on the selection of the CDC's.

There has been very close cooperation between them and HUD on this venture. We are looking to working with them on other things, for instance winterization projects.

In August, we solicited from all the agencies early on in a meeting their ideas on innovative youth projects. We have reached agreement with a number of agencies.

Mr. HAWKINS. Hugh?

Mr. DUFFY. I have a question for either Bob Taggart or Ray Young. It relates to the maximum size of these Job Corps centers. I am thinking particularly about the Breckinridge Job Corps Center. In the previous administration there were a couple of attempts to cut Breckinridge back on the ground that you could not possibly operate a center with 2,400 enrollees in any kind of efficient or effective way. I know Bob Taggart just came back from visiting Breckinridge. Ray Young was the Director at Breckinridge for 2 years. I wonder if you could comment on that. Can you run a center as big as Breckinridge?

Mr. YOUNG. Breckinridge is a very efficient, effective Center. We have very little difficulty in management. The 2,300 enrollment there has not been a problem to us. At the present time we are increasing enrollment at Breckinridge proper by 100 enrollees.

We have a satellite ecology center and land reclamation center. This has been increased by 22 slots. I don't think the size of the Center necessarily impacts upon the effectiveness of the Center.

Mr. DUFFY. So you think they could take even more young people than they have now.

Mr. YOUNG. Yes. I would want to see a gradual buildup and see how this works. I think the most reasonable approach now would be to attempt satellites such as the ecology center as opposed to a larger increase in a single site.

Mr. DUFFY. Would you explain what that satellite does at Breckinridge?

Mr. YOUNG. Yes. It is essentially a heavy equipment program. It is devoted to land reclamations of the strip mines around the country. The State has made available to the Center approximately 900 acres of land. This is being reclaimed and restored and, at the same time, trains the youngsters in heavy equipment operation.

Mr. DUFFY. How much land has been reclaimed so far?

Mr. YOUNG. I am sorry. I don't have that information. I hope to visit the satellite in the near future.

Mr. DUFFY. In this a kind of activity you are thinking of expanding in to other areas?

Mr. YOUNG. In parts of Kentucky they have quite a bit of land in the same condition.

Mr. DUFFY. Thank you.

Mr. HAWKINS. Gentlemen, we may appear to be overcritical sometimes. I hope you recognize it is only the problems that we happen to get concerned about in hearings rather than offering a lot of commendations for the fine things you are doing in many other fields.

With that in mind, I hope you will accept our commendation for some fine things that have come out of the operation of these programs, which we haven't gone into today. It is not our purpose to call you in to give you any awards but rather to express our concerns about certain

problems and to share with you those concerns with the possibility that we can improve these various programs. I appreciate your cooperation. The testimony this morning was very valuable to this committee.

I just want to assure you the committee is at all times ready to work with you. I hope you feel the same way about the committee.

We will submit to you technical questions which we hope you will respond to. These will go into the record.

[The document to be furnished follows:]

RESPONSES TO TECHNICAL QUESTIONS REGARDING IMPLEMENTATION OF THE YOUTH PROGRAMS FROM NOVEMBER 10, 1977 OVERSIGHT HEARINGS OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

YACC

Question 1. Section 97b.10 of the draft regulations defines eligible youth as those who are unemployed, at the time of application, and available for full-time work as defined in section 701(a)(12)(A) of the Act. Section 97b.2(r) of the regulations defines unemployed as "persons who are without jobs and are available for full-time work." However, the Act states that the program is for those "youths who would not otherwise be currently productively employed" (Section 801) and the draft regulations also state that the program is for youths "who would not otherwise be currently employed."

We know the test for unemployment, but how will the Department determine whether or not a youth would be otherwise "currently" employed?

Answer. Youths "who would not otherwise be currently employed" include both that group who are not now attempting to obtain employment as evidenced by the fact that they are not registered with local public employment service offices and those who are unable to obtain employment because they have no employment history and have not learned skills necessary to get and keep a job. The YACC program, which provides labor-intensive, entry level jobs, will, we believe, attract and hire such youth and provide them with work experience resulting in increased employability after termination.

Question 2. Section 97b.11(a) provides a limitation on enrollment in YACC to insure that youths, 16 to 19 years, have not left school solely for the purpose of joining the program. The draft regulation reads: "Labor shall not refer any youth to Agriculture or Interior who is between the ages of 16 and 18 inclusive unless the applicant gives assurances on the application form that he or she has not left a full-time school program for the purpose of enrolling in YACC."

What type of monitoring will the Labor Department do in order to insure that the youth's statement is true and accurate? Will the Department require some form of certification from the youth's school system.

Answer. The YACC application form asks each youth the question, "Did you leave school for the purpose of enrolling in YACC?" If the answer is no, the youth is considered eligible under this criterion. The youth also signs a statement certifying to the truth of his or her answers, with the understanding that incorrect statements are grounds for dismissal from YACC. The Department plans no further certification of the school status of candidates for enrollment.

Question 3. Section 97b.25(a) states that youths enrolled in the program will receive the wage specified in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended, except that enrollees in the State of Alaska shall receive a cost-of-living adjustment not to exceed 25 percent of the Federal wage rate.

Section 805(b)(1) of the Act states that enrollees will receive "rates of pay which shall be at least at the wage required by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended."

Under what authority did the Department decide that enrollees in Alaska would be eligible for this cost-of-living differential? Is the Department going to require that residential enrollees in Alaska pay more for their food and lodging due to the higher costs in the State? Why didn't the Department include enrollees in the State of Hawaii for a cost-of-living differential? This would bring the program more into line with the OMB/CSA poverty differentials for Alaska and Hawaii.

Answer. The initial plan was to pay all YACC youth, including those from Alaska, at the Federal minimum wage. That decision was based on (1) the desire to establish a uniform national standard for the YACC wage rate and (2)

the necessity to keep the program's unit cost below \$10,500 so as to maximize the number of youth who can be employed. However, the Departments of Agriculture and Interior expressed grave concern about paying Alaskan youth only the minimum. After considering the higher Alaskan State minimum wage, the excessively high cost of living in Alaska, the fact that other manpower programs there pay higher wage rates, and the possible difficulty of attracting youth to work for YACC at the minimum wage, it was agreed to pay a cost of living allowance (COLA), not to exceed 25 percent, only to Alaska youth. Consideration was also given to providing a COLA to Hawaiian youths. This was not done because the prevailing wage for other manpower programs has been the Federal minimum and the Hawaii State minimum wage is only \$2.40, twenty-five cents less than the new Federal minimum of \$2.65. Alaskan youth will pay the same rate for room and board as do other YACC enrollees.

Question 4. The interagency agreement between the Departments of the Interior, Agriculture, and Labor, section II (D) (1) (d) states that enrollees must, at the time of enrollment be capable, as determined by Labor, of carrying out the work of the Corps for the estimated duration of their enrollment. Each individual shall provide a record of physical examination before enrollment. The limitation could have a serious negative impact in areas which are either unserved or underserved medically or in poverty areas where the potential enrollees do not have sufficient funds to pay for a physical examination, or where both situations exist. Why was this not spelled out in the draft regulations?

Answer. The regulations at 97 b.13(d) (1) require the Department of Interior and Agriculture to notify each youth that a physical examination is required at the youth's expense, but that the youth may be eligible to get an examination at little or no cost under Federal, State, or local programs. In addition, at the time of application for YACC, the local employment/job service office interviewer will inform each youth where he or she may go to obtain a free or low-cost physical exam. In anticipation that youths in some parts of the country may experience delays in obtaining such examinations or that ES Offices may not have complete information, we plan to meet soon with the Bureau of Community Health Services of HEW to elicit their aid. We have spelled this out in a directive outlining the responsibilities of employment service offices.

Question 5. Again, in the interagency agreement, section III (b) provides: "Agriculture and/or Interior shall provide enrollees with such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment and facilities as they may deem appropriate, consistent with Labor's regulations regarding health, safety and working conditions issued under Section 805 (b) of the Act."

This section is basically repeated in the draft regulations (see 97.b.21 (b); page 21 of the draft regulations). However, in section III (O) of the interagency agreement, it is stated that: "Agriculture and/or Interior shall assign enrollees to residential camps as near to their homes as practicable. YACC will not pay for the initial transportation to the residential camp, except in the case of economically disadvantaged residential enrollees for which Agriculture and/or Interior may provide, upon enrollment, an advance against wages for the purpose of initial travel to the camp Agriculture and/or Interior will not provide daily transportation to and from home for enrollees in nonresidential projects."

One, why wasn't this provision included in the draft regulations?

Two, in large urban areas, enrollees will probably be able to rely upon local mass transportation in order to get to and from nonresidential sites. However, in largely rural areas, enrollees will not be able to rely upon mass transportation to get to and from a nonresidential site. Further, if the rural area is, also, a poverty area, the chances of poor youths being able to partake in the program are highly reduced.

Third, for residential camps located in somewhat rural areas, poor youths will again be at a disadvantage in terms of enrolling in the program, in that they will hardly be able to afford the transportation costs. Further, if the initial transportation is costly, the youths will not be earning that much money from the program. This would be equally true for poor rural and urban youths.

Answer One. The fact that enrollees are to pay for their own transportation to and from the nonresidential camp was inadvertently left out of the draft regulations. It is now included in § 97.13 (d) (2) which states "... they will be required to pay their own transportation to and from the project or camp. Youths who need an advance against future salary to pay for transportation to a residential camp may request one from the camp director ..."

Two and Three.

The Departments of Agriculture and Interior are aware of these problems and propose to solve them by providing vehicles to pick up youth at pre-established places for transportation to work sites when this is necessary. This provision was not included in the regulations because of the variations which will exist from one site to another.

Question 6. Section 97b.3(b) of the draft regulations states that "Agriculture and Interior shall make available 30 percent of the sums appropriated for the YACC for any fiscal year, for the operation of State and local programs." The draft regulations further state that Agriculture and Interior may enter into agreements for operation of the State grant programs with

- (1) any State agency or institution, after consultation with the Governor;
- (2) any unit of general local government, or any agency or organization, or any private nonprofit agency or organization.

What arrangements have been made to apprise such units of local government or other agencies or organizations of their eligibility for such a grant and what procedures will be followed to determine which grant applications will be funded?

Answer. In late August, 1977 money was transferred to the Departments of Agriculture and Interior for the State grant program. On September 12, a joint letter from Secretary Andrus and Secretary Bergland was sent to Governors of the 57 States and territorial entities defined as eligible for State funds under Public Law 95-93. Each Governor was asked to designate a person within the State to serve as the Governor's agent for the State grant program. As of November 25, 1977, 51 responses have been received. Grants will be made to the States and the State will distribute those funds in accordance with the applications it receives for State and local programs. Because of the administrative decision by Agriculture and Interior to handle State allocations in this way section 97b.3(b) of the regulations has been revised to read:

(b) Agriculture and Interior shall make available to governors or their designees 30 percent of the sums appropriated for the YACC for any fiscal year, for the operation of State and local programs. Agriculture and Interior shall apportion such sums on the basis of each State's total youth population, and consistent with the interagency agreement and the regulations of this part, and after consultation with the Governor, may enter into agreements with the Governor or his or her designee for operation of the State grant programs by:

- (1) any State agency or institution;
- (2) any unit of general local government or any public agency or organization or any private nonprofit agency or organization which has been in existence for at least two years. (Sec. 906)

Regulations for the State grant program are currently being drafted by Agriculture and Interior, which have also developed a State grant operation and procedure handbook.

JOB CORPS

Question 1. In your testimony you referred to a recently instituted program aimed at insuring the use of minority vendors as subcontractors in the operation of Job Corps centers. Will you outline the details of the program and the expected results?

Answer. We are increasing emphasis at the national level to contract with minority organizations. For example, we will be contracting with a minority organization for a technical assistance and training contract related to the Job Corps expansion. In certain regions, community-based organizations including minority organizations may be involved in recruitment of youth for Job Corps.

Additionally, the Assistant Secretary recently published a directive encouraging greater use of minority contractors. Regional level staff who monitor centers are emphasizing the increased use of minority subcontracting. This should result in a greater number of subcontracts with minority organizations.

Question 2. Will you explain why this effort is geared to the use of minority firms as subcontractors rather than prime contractors, and explain what the Department is going to do to insure the involvement at all levels of contracting.

Answer. The Department is continuously attempting to identify minority contractors within localities who may operate centers effectively, and reviewing the use of minority contractors for recruitment and placement support.

Center operations' contractors are responsible for creating a constructive home-like environment in which residential living, basic education, vocational skills training, health, counseling, discipline, and other programs and services are provided to corps-members in order that they may develop into well-rounded

self-sufficient citizens and take their rightful place in society. Contractors must be qualified in financial management, staff relations and training, property and equipment accountability, community relations, and other areas.

Few contractors have the qualifications and experience necessary for the operation of a Job Corps center. One way that organizations can build up necessary expertise is through subcontracting. As was discussed in Question 1, regional office staff are promoting increased subcontracting with minority organizations by center operators. These are, though, minority organizations that operate very successful training programs. If these organizations submit proposals in response to requests for bids, their training program operating experience would be counted positively during the proposal review process.

Additionally, we are interested in contracting with minority organizations for the operation of at least one Job Corps center. We are seriously considering selecting the operator on a sole source basis. The contractor would receive sufficient technical assistance and support from the Department of Labor, as do all Job Corps center contractors, in order to insure the successful operation of the center.

Question 3. Please explain the Department's procedures and criteria for the selection of contractors to operate Job Corps centers and explain how you insure that they do not mitizate against the selection of minorities.

Answer: The procedures for selecting contractors to operate centers are set forth in title 29 part 97A, subpart C of the Code of Federal Regulations. Eligible bidders for centers operations contracts shall be units of Federal, State and local government, State and local public agencies, private profit and nonprofit organizations, and Indian Tribes and organizations, except that Civillian Conservation Centers (CCC's) shall not be operated by profitmaking organizations. The regulations provide as follows:

To insure the objective selection of contractors for Job Corps centers, regional offices must use the procedures outlined in the Federal Procurement Regulations. DOL contracting officers shall request proposals for the operation of all centers, either directly from Federal agencies, or pursuant to Federal Procurement Regulations for work to be done under contract. The request for proposal for each center contract shall describe specifications and standards unique to the operation of the center or for the provision of operational support services.

Job Corps center operators shall be selected and funded on the basis of proposals received, according to the following criteria as appropriate:

- (1) The degree to which the proposal demonstrates understanding of the objectives of the program (Design of Program);
- (2) The quality of proposed recruitment and placement support;
- (3) The quality of proposed educational training;
- (4) The quality of proposed vocational training;
- (5) The quality of proposed residential and other corpsmember support services;
- (6) The quality of proposed administrative support services;
- (7) Past demonstrated effectiveness in the operation of a Job Corps center or similar activity;
- (8) The quality of proposed staff;
- (9) The relative price advantage to the government; and
- (10) The ability and intention to adhere to these regulations, the requirements of the Act, and other applicable law.

The purpose of these selection criteria is to help insure that the most qualified bidder is selected to operate a center. There are only a few organizations that have expertise and experience in the area of Job Corps center operations. With the exception of the Alpha Kappa Alpha sorority, which operates the Cleveland Job Corps Center; the Pacific Education Foundation, a private nonprofit organization which operates the Hawaii Center; and the Sallish and Kootenai Indian Tribe, which operates the Kicking Horse Center, minority organizations do not have experience in center operations. There are several minority organizations, though, which have extensive experience and expertise in operating other types of employment and training programs which would count in their favor in the center operations contractor selection process. Additionally, as we discussed in Question 2, we will be establishing at least one center in which the operator will be a minority organization perhaps selected on a sole source basis.

Question 4. Do you have any information to suggest that large national corporations do a better job in operating centers than small, locally based organizations?

Answer. No. We have a number of centers that are operated by local-based organizations such as the YWCA-Los Angeles, the Cleveland Center operated by

Alpha Kappa Alpha, the Texas Centers operated by the Texas Educational Foundation, and the Kicking Horse Center operated by the Salish and Kootenai Indian Tribes and the School Systems in Portland, New Jersey, and Puerto Rico.

Question 5. Please give us an estimate of the number of minority contractors bidding on Job Corps center contracts in the past 3 years.

Answer. The Department has not maintained a list of bidders for contracts awarded over the last 3 years.

Question 6. In your opinion, what have been the major deterrents in the involvement of minorities in both prime and subcontracting roles in the operation of Job Corps centers?

Answer. The major deterrents in minority bidding on a prime contract role are related to the absence of expertise in the total management requirements for operating a center and the lack of financial capability. These organizations can gain experience, though, by bidding on subcontracts. We can and have provided advance payments to such organizations. However, the costs associated with developing proposals are also a serious problem in establishing programs with minorities.

As we discussed in Question 2, there are organizations whose experience in related areas makes their competition for center operations contracts viable.

Question 7. What is the Department doing to overcome these problems?

Answer. As we mentioned in other responses, we are considering selecting at least one center on a sole source basis to be contracted with minority organizations. Job Corps intends to provide technical assistance to potential minority contractors to strengthen any areas in which expertise is lacking. We also feel that minority organizations with experience in operating other types of employment and training programs can successfully compete for a center operations contract. Additionally, our regional staff are promoting subcontracting with minority organizations. This will give these organizations experience in Job Corps programs.

QUESTIONS BY THE MINORITY COUNSEL ON BEHALF OF MR. SARASIN FOR YOUTH OVERSIGHT HEARINGS, NOVEMBER 10, 1977

YACC

Question 1. What is your view of the interagency agreements among the Departments of Labor, Interior and Agriculture?

Answer. The three agencies worked closely together to develop the YACC interagency agreement. We believe it is a good and workable document which clearly spells out the authority and responsibilities of the three departments and which makes it possible to work within existing organizational structures to build an effective program.

Question 2. Are you experiencing any start-up problems in the program?

Answer. There have been no serious start-up problems.

Question 3. When do you expect the program to be fully operational?

Answer. YACC should be fully operational by the fourth quarter of fiscal year 1978. The tentative buildup schedule for the Federal program is as follows:

	Slots
First quarter fiscal year 1978.....	7,895
Second quarter fiscal year 1978.....	2,860
Third quarter fiscal year 1978.....	2,000
Fourth quarter fiscal year 1978.....	3,575
Fiscal year 1978 total Federal program.....	15,830

Minor adjustments may be necessary due to delays in start-up at some sites. Implementation schedules for the State grant program which will total approximately 6,600 slots have not as yet been developed.

YOUTH INCENTIVE ENTITLEMENT PILOT PROGRAM (TIEEP)

Question 1. How many Tier I projects under the youth incentive entitlement program do you expect to ultimately fund? And by when?

By January 10, 1977, up to six Tier I Entitlement Projects will be selected for final funding. These selections will include (1) not more than two metropolitan cities or counties where the Entitlement area encompasses only a portion of one or more local political jurisdictions, (2) one nonmetropolitan area where the Entitlement area encompasses a number of complete local political jurisdictions, and (3) two or three (depending upon available resources) metropolitan cities

or counties where the Entitlement area encompasses one or more complete local political jurisdictions.

Question 2. Just what process is being used to evaluate those who have been approved for planning?

Answer. Each prime sponsor selected to receive a planning grant will be evaluated in the following manner. This process emphasizes the use of an objective procedure to arrive at overall rankings to identify the projects to be selected.

(a) On-site reviews are presently being conducted. Their purpose is to ascertain the validity of representations made in the pre-applications; to review areas noted as deficient or not fully explained in the pre-applications; to explain program requirements; and to assess first-hand the capabilities, experience, and competency of the key agencies to undertake a program of this magnitude and complexity.

(b) The review of final applications will take into account the requirement of sec. 327(a) (1) of the Act that prime sponsors selected to operate Entitlement projects be "from areas with differing socioeconomic and regional circumstances such as differing unemployment rates, school dropout rates, urban and rural variations, size, and other such factors. . . ."

To implement sec. 327(a) (1), the Tier I final applications shall be separated into three classifications:

Classification No. 1—Metropolitan cities or counties where the Entitlement Area encompasses only a portion of one or more local political jurisdictions (units of general local government).

Classification No. 2—Nonmetropolitan areas (primarily rural areas) where the Entitlement Area encompasses a number of complete local political jurisdictions (units of general local government).

Classification No. 3—Metropolitan cities or counties where the Entitlement Area encompasses one or more complete local political jurisdictions (units of general local government).

Each Tier I final application shall be reviewed only in competition with others within its classification.

Within each classification, each application will be ranked against the others with respect to each of the Tier I project criteria described below. A composite of the separate rankings with respect to each criterion shall be used to determine the final overall ranking of applications in each classification.

Overall ranking will be made of all Tier II final applications using the Tier II project criteria described below.

(c) Final applications shall be reviewed against the following criteria. The first four criteria, equally weighted, shall be used to review Tier I projects. All five criteria, equally weighted, shall be used to review Tier II projects.

- (1) management capability, feasibility and commitment
- (2) operational plans
- (3) financial system and program data system quality and commitment
- (4) quality of budget and resource commitment
- (5) innovative features

(d) Each ETA regional office will also review the final applications submitted by prime sponsors in its region to identify (1) any inaccuracies in estimates concerning planned use of other local funding resources, and (2) any mistakes of fact.

(e) An impartial, interdisciplinary Entitlement Selection and Review panel will be used to consider the Tier I and Tier II final applications, the results of onsite reviews and regional office assessments. The panel will provide rankings to the Department of Labor and make Entitlement project recommendations to the Assistant Secretary based on these rankings and the requirements of sec. 327(a) (1) of the Act.

(f) The Assistant Secretary for Employment and Training, will make final selection of Entitlement projects on or before January 10, 1978, based on the specifications discussed above and on the recommendations of the panel. Final Tier I selections will include not more than two Classification No. 1 areas, one Classification No. 2 area, and two or three (depending on available resources) Classification No. 3 areas. The number of final Tier II selections will depend on the cost of selected projects in relation to the available resources.

Question 3. When do you expect to fund Tier II projects?

Answer. Tier II project selections will be made simultaneously with Tier I selections, by January 10, 1978. Project grants will be funded for the period January 1978 through June 1979.

Question 4. Can you give us a kind of example of the size of the Tier I program?

Answer. Because of the totally new and experimental nature of YIEPP, it is difficult to estimate program size with any degree of specificity. Tier I appli-

cants have been instructed to link existing local resources to Entitlement project operations. Tier I applicants cannot request more than \$25 million in YIEPP funding, but must be geared to areas having at least 3,500 and no more than 12,000 eligible youth.

Question 5. What kind of questions are being asked, assumptions being made, on the entitlement program?

Answer. The basic purpose of the Entitlement projects under YIEPP is to test the notion of whether school-year (part-time) and summer (full-time) jobs can be feasibly guaranteed (an "entitlement") for 16-19 year old economically disadvantaged youths who are in secondary school, or who are willing to return to such a school or enroll in a course leading to a certificate of high school equivalency.

Projects will also test whether such jobs will be an "incentive" to increase high school retention, return, and completion.

Congress mandated that the entitlement approach be rigorously tested under varying geographic, economic, and other circumstances. Because of the high cost of guaranteeing year-round jobs to all in-school disadvantaged youths, only a limited number of demonstrations can be undertaken with available funds. In order to test whether jurisdictions can feasibly implement substantial programs, between 4 and 6 large scale of Tier I projects will be implemented. These will cover entire jurisdictions or neighborhoods. In order to test a number of secondary questions raised in the Act and to get a wider geographic spread, between 8 and 10 smaller of Tier II projects will be funded, demonstrating specific innovative entitlement approaches. These projects may cover only the area served by a particular school or small school district.

The innovative variants of Entitlement to be tested can include the following:

The use of subsidies to private for-profit employers to encourage such employers to provide employment and training opportunities.

Arrangements with unions to enable eligible youth to enter into apprenticeship training as part of the employment provided.

Inclusion of economically disadvantaged youth between the ages of 19 and 25 who have not received their high school diploma or equivalent.

Inclusion of occupational and career counseling, outreach, career exploration, and on-the-job training as part of the employment entitlement.

Inclusion of youth under the jurisdiction of the juvenile or criminal justice system with approval of the appropriate authorities.

The use of Entitlement to promote completion of high school by young unwed mothers.

Prime sponsors can propose to undertake other innovative approaches, if adequate justification is provided.

GENERAL PROGRAM

Question 1. Do you see any difference in the projects being developed under subpart 3 to those that already exist under titles I or III?

Answer. Subpart 3, Youth Employment and Training Programs, authorizes the same types of activities for youth as are allowed and currently funded under title I of CETA. The intent, however, is to improve the quality of services, and to improve the coordination among the service deliverers in the community. It is further expected that more comprehensive services will be provided to more fully meet the needs of those having severest difficulties in the labor market. The essential differences between subpart 3 programs and existing programs include:

"a focus on an improved planning process, including an inventory of local youth programs and services to maximize coordination and minimize duplication, and the establishment of youth councils to participate in the planning process,

"emphasis on targeting the resources where they are most needed,

"broader linkages among the various local youth serving agencies (for example, local education agencies, community based organizations having demonstrated effectiveness),

"emphasis on improving the content and quality of work experience.

"emphasis on evaluation of the program (including process evaluation, and short term and long term impact studies, covering economic and noneconomic outcomes) built-in from the beginning, and

"channelling of YETP discretionary funds toward carefully structured experiments to develop knowledge of how best to assist youth to make the transition from school-to-work and to achieve job stability and advancement."

Question 2. Have you had many complaints from prime sponsors about the maintenance of effort of title I youth programs?

Answer. Yes. We have had complaints, but we believe it is essential that YEDPA resources add to, rather than substitute for, existing efforts. Every dollar of substitution reduces the net employment impact of the new youth efforts as well as their experimental payroll and their usefulness in aiding ongoing qualitative improvements. We have indicated that changes in the percentage of youth served under title I or changes in mix of services will be allowed where they can be justified by changes in local economic conditions. This means that in locations such as Youngstown, Ohio, where there are significant industry slowdowns or closings, the title I plans may be changed to reflect local needs. In all other instances, we expect maintenance of effort under title I so that the YEDPA can represent a net new impact on youth unemployment.

Question 3. Do you believe this part should be extended?

Answer. We are at present considering this question in light of the overall reauthorization of CETA. The Administration will be making its recommendations, including those regarding the youth program, early next year.

Question 4. Do you honestly believe that this legislation is the answer to the youth unemployment problem?

Answer. No. We have said from the outset that the Youth Employment and Demonstration Projects Act will employ and increase the employability of several hundred thousand young persons, will help to coordinate and improve existing career development and employment and training programs, and will provide the opportunity to experiment with a number of new approaches in order to learn what works best for whom and under what circumstances. This legislation will not eliminate youth unemployment nor will it lead to major institutional reform. The limited resources and staff, the diversity and complexity of the new programs and the difficulties of integrating them with existing programs will all serve as constraints within which we must operate. Moreover, as youth become aware of these programs, many not currently in the labor market will indicate an interest in the programs; as a result, the impact of these programs on the overall youth unemployment rate will be minimal at best. Since we do not believe that this legislation is the answer to the youth unemployment problem, we have been careful to set forth realistic expectations for what can be achieved under the YEDPA. It provides significant opportunities to learn and develop knowledge on how best to assist disadvantaged and other youth, so that the Department will be in a better position to advise Congress on future national policies. We have emphasized this repeatedly in our narrative documents, including our Planning Charter, the Knowledge Development Plan, the Monitoring and Assessment Plan, the Regulations, and other key program documents.

QUESTIONS RE: DELAY IN IMPLEMENTING YEDPA

Question. What, if any, decisions have been made in response to Secretary Marshall's memo to the President on youth unemployment?

Answer. Several policy decisions have resulted from the Secretary's memorandum. First, the process of implementing the new youth programs was speeded up. Planning grants were immediately made available to prime sponsors to help them inventory and assess their local needs and establish working relationships with other youth serving organizations. We issued regulations on YCCIP and YETP two weeks ahead of our already stringent deadline so that prime sponsors could complete and submit their plans.

Second, the new youth programs were targeted to the maximum extent allowable under the Act, to focus on youth having intensive needs. The discretionary and entitlement money was focused on economically disadvantaged youth, and the formula allocated money was targeted by regulation toward those experiencing the severest difficulties in the labor market, particularly the economically disadvantaged. This targeting of resources should provide both a research payoff to develop knowledge for future policies plus a payoff in terms of immediate and most direct impact to the greatest extent possible under the legislation to economically disadvantaged youth.

OVERALL SUBPART 2 AND 3

1. PREVAILING WAGE PROVISIONS

Question 1. Why do the regulations call for a second 30-day period of negotiations over wage disputes for a total of 60 days' negotiations?

Answer. The regulations provide first for a 30-day negotiation period at the local level before surfacing any disagreements to the Regional Ad-

ministrator. Secondly, they provide for a 30-day period after submission of a protest to the Regional Administrator during which time a determination is to be made. (There is also a third provision which requires that labor organizations are to be afforded "... a reasonable period of time prior to the submission of the application. ..." in which to make comments by the applicant and the Regional Administrator.)

The Department believes that each of these time periods is important. The resolution of any wage dispute problems between prime sponsors and labor unions belongs at the local level wherever possible. Under CETA, the prime sponsor selects the jobs to be funded based on community needs, labor market conditions, and the potential skills of participants. For that reason, if disagreements occur with labor organizations, every effort should be made by both parties at the local level to resolve these differences to their mutual benefit. If, however, an impasse occurs, then the issue may be raised to the Regional Administrator. We believe that 30 days for such local determination is an appropriate length of time to assure good faith local efforts at resolution. If the issue is then raised to the Regional Administrator, he has no more than a 30-day period to resolve the matter. In most instances, at both the local and regional levels, we expect much less time to be required.

Question 2. What guidelines or arrangements with Wage-Hour have been developed to insure speedy resolution of wage disputes that arise?

Answer. In discussions between the Office of Youth Programs and the Wage-Hour staff in the National Office of DOL, it was mutually agreed that, insofar as possible, local problems should be dealt with at the local level. Should the problem surface to the regional level, each Regional Administrator has the option to seek the assistance of the regional Wage-Hour staff in resolving the dispute.

Question 3. Have regional ETA or Wage-Hour staff been identified or trained to resolve these disputes?

Answer. Regional ETA staff have been instructed in training sessions to develop internal procedures for dealing with disputes. No national prescriptive formula has been mandated since local environments vary dramatically in their political, social, and economic makeup, and regional offices are in a better position to know the precise approach(es) that will be the most effective. Regional offices of ETA and Wage-Hour have also previously worked out as appropriate arrangements for settling wage disputes for other CETA programs, particularly title VI.

Question 4. Will Federal staff be available as needed to assist during the first 30-day period of local negotiations?

Answer. Federal regional staff are available to assist prime sponsors, employers, and labor organizations at any point in the negotiation process through emphasis is placed on local resolution of local problems wherever possible.

Question 5. If wage negotiations for part of the program are under way, can the rest of the prime sponsor's grant be approved and implemented?

Answer. Partial funding is allowed, though regional staff and prime sponsors are strongly encouraged to execute full program grants by December 31, 1977, so that the unemployed youth may begin participating in the program as soon as possible.

LABOR UNION REVIEW

BACKGROUND

In cases of dispute over wage levels among unions, employers and prime sponsors, section 352(3) requires 30 days' local negotiation. After that, any of the parties may appeal to the Secretary, "who shall establish appropriate wages ..." [section 352(3) (B)] or "within 30 days ... make a determination whether such job is a new or different job classification or occupation" [section 352(3) (C)].

The regulations seem to be designed to discourage seeking resolutions from USDOL. [97.718(C) (3) and (4)].

a. The RA must negotiate with the parties for another 30 days before making a determination. This totals 60 days' negotiations.

b. Prime sponsors are presented the "solution," at each step, of choosing other jobs. Yet, these are the very jobs, in most cases, that offer youth the best chances for growth.

Question 1. Assuming a union objects to some part of the plan, its objection is likely to take 75 days to resolve: 15 days' notice, 30 days' local negotiation, 30 days' negotiations with the RA. DOL should be prepared to make a determination without the full extra 30 days.

Answer. (Please see response to question No. 1 under prevailing wage provisions.)

Question 2. After 15 days' notice to unions, prime sponsors should be able to submit their YETP plans while still considering comments, which could be submitted later as corrections.

Answer. The provision in the regulations (section 97.705(d) that "... any comments received must be considered prior to the submission of the youth plan to the RA" was established to prevent potentially wasted hours of processing and review time at the regional level of plans not yet solidified. Further, the provision was included to ensure that labor organization comments received appropriate attention as a part of the planning process.

3. Administration

Question 1. Given the size of most subpart 2 grants and the limitation on administration costs, wouldn't it make sense to pool title III administrative costs and use only one grant document to fund both programs?

Answer. Federal staff at the National Office level researched the possibility of using a single grant document for subparts 2 and 3 prior to publication of the regulations. It was concluded, based on discussions with the Solicitor's staff, that the nature of the two programs differed to such a degree that a merging of the administrative provisions would not be possible. However, to avoid duplication of information common to both programs, the subpart 2 (YCCIP) grant application encourages prime sponsors to use and reference the subpart 3 (YETP) data base and other narrative information wherever appropriate.

Question 2. The application package for subparts 2 and 3 sent to prime sponsors during October is 130 pages long. Was every requested item necessary or available? For example, the YETP narrative requires a number of interesting but unnecessary items. See pages 15, 16, 19, and 20 of the attached for specific examples.¹

Answer. The instructions initially forwarded to the ETA field offices and subsequently to prime sponsors contained not only the grant application instructions for three separate grants but the proposed reporting forms and instructions as well. The intent was to provide prime sponsors with as much advance notice as possible of reporting system modifications or procedures that would need to be implemented since the lead time on such changes is considerable. The final grant application instructions for the three grants (YETP, YCCIP, and the Governor's Grant) totaled 70 pages, much of which was explanatory. Because of the emphasis placed on learning from these programs, as requested by the Congress, it is very important to understand prime sponsor planning processes, the population to be served and rationale for selection, the linkages established with other community resources, particularly the educational establishment, the services to be provided, and the outcomes expected. Without this information, recommendations for future policy and program design would not be possible.

4. Technical Assistance

Question. What emphasis has been placed on training and technical assistance for prime sponsors and regional staff, particularly in the areas of prevailing wage and local education agency agreements? The Youth Office schedule calls for TA materials on LEA's October 1-15. Are these now available?

Answer. The Office of Youth Programs has placed a high priority on technical assistance to regional offices, local CETA prime sponsors and other program operators in the implementation of YEDPA, including relationships with local educational agencies, awarding of academic credit for work experience, innovative program models and job restructuring. As part of this effort, it has developed and distributed to all regional offices and prime sponsors a YEDPA Technical Assistance and Training Plan for 1977. Copies are available upon request.

In August 1977, OYP prepared A Planning Charter for the Youth Employment and Demonstration Projects Act of 1977 outlining the basic principles in designing and implementing YEDPA programs, the constraints which must be considered, the realistic objectives, and the programmatic implications. This fundamental document was distributed to regional offices and prime sponsors.

National office staff of OYP conducted train-the-trainer sessions on the new youth legislation and regulations and visited regions during orientation and training sessions in September and October.

Available materials on youth program designs, concepts and research findings have been assessed and screened, with the best disseminated to prime sponsors and the regions.

¹ We never received the attachments mentioned in the questions. We called OPER and the Committee, and neither could find copies.

In November 1977, OYP distributed a kit of its major planning documents prepared for YEDPA implementation. In addition to the Charter, regional offices and prime sponsors received copies of OYP's technical assistance plan, monitoring and assessment plan, and knowledge development plan.

In November 1977, OYP prepared and distributed a technical assistance guide on the awarding of academic credit for skills and knowledge acquired through work experience. Definition of what are competencies, suggested models for awarding academic credit, experiences offered in design and implementation considerations are covered by the paper.

Additionally, emphasis is being placed on the development of a technical assistance guide on CETA/LEA agreements. This paper will identify basics of the agreement and suggest elements to be included in such arrangements. This document will be available in early December 1977. The complexity of the issues involved has caused delay in the final print of the paper; however, prime sponsors have been encouraged to submit agreements developed realizing these agreements can be modified up to 60 days after submittal.

Regional meetings jointly sponsored by HEW and DOI, are planned for regional office staffs, CETA prime sponsors and local educational agency representatives. The purpose of these meetings is to give technical assistance in developing CETA/LEA agreements as well as designing, developing and operating youth programs of work experience, guidance, counseling, vocational exploration, and career education. These sessions are scheduled for December 1977 through January 1978.

Technical assistance in the area of prevailing wage rates will include such services as job restructuring task analysis and negotiating wage rates. The identification and selection of a contractor proficient in the delivery of these services will be done in late December 1977 with contract initiation in early January 1978.

SUBPART 2

1. Review Process

Question Why do the regulations specify a two-step review of project proposals (97.613(d)) ? Projects submitted by school districts, small jurisdictions, etc., cannot be considered until all CBO applications have been acted on. This is not only a delay, but also challenges the competitive selection process of section 336(c).

Answer. DOL did include specific language in the regulations to guarantee that applications from neighborhood community based organizations of demonstrated effectiveness in providing employment and training programs to youth receive primary consideration in the project approval processes established by prime sponsors. In discussions on July 21, 1977, on the floor of the Senate, Senator Stafford, the primary author of this subpart, stated that "... Strong participation of local groups is necessary if we are to focus on community needs." He further stated that "The community or neighborhood improvements cut across a wide spectrum of community affairs and interests and community groups are encouraged to bring programs forward. I anticipate that most of the projects will be designed and carried out by those local groups even though the applications will pass through the CETA mechanism.

Based upon our title VI experience, we did not believe that the participation of these local groups as program operators could be realized without a structural approval process which required that their applications receive primary consideration.

We do not believe that this requirement will result in delays since applications from community organizations as well as other agencies will be prepared and submitted at the same time and may be selected if there are not sufficient and adequate proposals from community organizations.

2. Administration

Question. Why does section 97.622 require a financial subcontract with each funded applicant unless a nonfinancial agreement can be negotiated with the contractors? This is wasteful, time-consuming, and delays the implementation process. Prime sponsors should be able to determine and justify centralized payroll and administration where it makes sense. Separate administrations and payrolls for each project often make no sense, and contractors should not be in the position to demand this role.

Answer. We agree with your statement that "Prime sponsors should be able to determine and justify centralized payroll and administration." For this reason, we think that nonfinancial agreements are often appropriate. Some agreement, whether financial or nonfinancial, is necessary for two reasons, (1) the project applicant whose application was approved for funding must be held

accountable for the proposed work, and (2) the prime sponsor must have some written performance standards on which to evaluate the performance of the project operators.

It should further be pointed out that administrative, overhead-type costs are being held to a minimum by regulation. As a result, many project operators will opt to have such activities as payroll, assumed by the prime sponsors. If the operator can provide these activities within these financial constraints and wants to do so, then for the reasons above, it should have that opportunity.

3. Grant package

Question. The elaborate planning, selection, and grant process, is not much more streamlined than the title VI buildup process. Most prime sponsor YCCIP estimates are under \$100,000 and yet they must go through a process and documentation similar to the PSE project program, where well into the millions of dollars per prime sponsor are involved. As noted above we would recommend cost pooling, joint planning and grant submission, and joint administration of this program with YETP. Reporting of results and participants could be provided separately, but it is wasteful and time-consuming to require completely separate administrative costs accounting, planning, and implementation.

Answer. Although we were aware that the YCCIP process might, for the amount of funds available, appear burdensome, it was our desire and our understanding of the intent of the Congress, as indicated in the legislative history, to assure that all in the prime sponsor area, most importantly community and neighborhood organizations, would have an opportunity to participate. To simplify the process, prime sponsors were given the flexibility to limit the areas of competition based on community needs.

We also did investigate more closely merging the two programs, but as indicated in our response to question 8 of the preceding section, we were unable to achieve cost pooling of administration. However, we attempted to assure coordination between the programs by developing and issuing regulations simultaneously on September 16, by developing the same reporting forms, and by using the same format for YCCIP and YETP grant applications, permitting prime sponsors to reference their YETP application in the YCCIP application whenever the same response to a section would be appropriate.

4. Grant narrative

Question. At least two requirements of the grant narrative seem inappropriate and potentially delaying. They are (1) a community resource inventory, and (2) a knowledge development summary. While these two areas are important they require time and effort to do properly and should not be required in the initial grant package.

Answer. Both the community resource inventory and a knowledge development summary, although time consuming, are important for planning and operating effective programs. Aware of the work required, we made planning grants available to all prime sponsors in early August. Those prime sponsors which began their planning in early August, should have no difficulty submitting the required items with the application. The community resource inventory, if not completed by the date on which the application is due, may be submitted within 30 days after the required date of submission.

The knowledge development summary is expected to be completed and included as part of the application. The primary aim of the new legislation was to explore new methods for dealing with youth unemployment. It was our intention that this "knowledge development" would not be limited to the Secretary's discretionary funds. For this reason, it is important that prime sponsors also identify what they want to learn from these programs and try out promising ideas. We want to emphasize to prime sponsors the benefits of structuring some portion of their YETP and YCCIP activities so that their underlying ideas can be given a reasonable test. Hypotheses and questions should be determined at the outset, with an evaluation methodology built in. If the necessary time and effort are not expended prior to the design and implementation of these programs, little will be learned for future decisionmaking. If, however, because of time pressures, prime sponsors are unable to finalize their knowledge development designs, they may negotiate with regional offices for a limited extension on that aspect of their program.

SUBPART 3

Planning process

Question 1. Despite the requirement that CBO's of demonstrated effectiveness participate throughout the planning process, prime sponsors must provide 15 days

for their review of the plan and written responses to comments prior to submitting it to the RA (section 97.705(c)(2)). Couldn't this be shortened by carrying on some negotiation and writing formal responses while the RA is reviewing the plan?

Answer. The 15-day review period ensures that CBO's will have a specific role in planning the YETP program for their area. Section 97.705(C)(2) of the regulations was written in response to the legislative mandate of giving special consideration to CBO's of demonstrated local effectiveness in employment and training programs for youth. This section of the regulations gives these CBO's 15 days to review the prime sponsor's plan or summaries of the plan prior to submission of the Plan to the RA. Allowing simultaneous review by CBO's and the RA would reduce the input of these CBO's in the final plans and therefore, reduce the special consideration that is to be given them.

The 15-day clearance of the final plan with these CBO's allow them to preview the final prime sponsor program design and to make appropriate comments to the prime sponsor. It also allows the CBO's to determine whether or not their input during the planning process was utilized by the prime sponsor in the design of the program and in writing the final plan, and to make any concerns known to the prime sponsor.

The 15-day clearance with CBO's also allows the prime sponsors additional time to revise the plan, if necessary, in response to comments received from these CBO's before submission to the RA.

Question 2. Why must full documentation of the selection of service deliverers take place before submission of the plan (sec. 97.705(c)(4)) and grant application guidelines?) In most grants, the RA approves selection procedures and/or criteria, since the REP's and contract negotiations can be time-consuming.

Answer. Selection of service deliverers and documentation on this process is necessary prior to submission of the plan to the RA as part of the interpretation of the legislative mandate of giving special consideration to CBO's of demonstrated local effectiveness in providing employment and training services to youth. In giving special consideration to these CBO's, the prime sponsor must submit a summary of the proposed service deliverers and the services to be delivered by each of these CBO's 15 days prior to submission of the plan to the RA. In addition, if prime sponsors decide to directly operate classroom training, OJT and work experience, they must, as required in the law, consult with the CBO's to determine that direct operation of the program will promote the purposes of YETP and document such benefits.

These requirements were meant to give local community organizations that have experience in youth employment programs greater opportunity to use their experience in both the prime sponsors' planning as well as delivery of services. Since selection of deliveries is a key element of the planning process, it is important that the local planning process be fair and open. Complaints by CBO's in the past indicate that past procedures, which do not identify those selected to deliver services prior to grant execution, are inadequate to assure their consideration. Finalizing can then take place while the annual plan is being reviewed and approved by the RA. Therefore, in general, in delays in actual program implementation should not occur.

5. Local education agencies (LEA's)

Question. Is there evidence that negotiating the "administration" of in-school programs with LEA's has caused delays? If a prime sponsor has the capability of providing low cost, efficient payroll services, what does the prime sponsor need to do to operate the payroll (sec. 346(C)(2))?

Answer. At present, there is no evidence to indicate that negotiating the "administration" of in-school programs with LEA's has caused delays. The prime sponsors are allowed 60 days from time of submission of their plan to the RA to finalize and submit their LEA agreements.

If the prime sponsor has the capability to provide low cost, efficient payroll services, then the prime sponsor may negotiate with the LEA to provide these services. These negotiations may result in a nonfinancial agreement between the LEA and the prime sponsor.

Question. On what basis were post-secondary schools excluded from the definition of LEA's? Why then encourage LEA's to subcontract with these schools—a costly and time-consuming process (sec. 97.717(b)(5))?

Answer. Our position that the definition of local educational agencies pertains to public elementary and secondary schools and not to post-secondary schools is based on two basic considerations. The first consideration relates to the law itself, the second to the Congressional intent.

With respect to the law, a thorough review of sections 343(d), 346(a)(1), 346(a)(3), 346(a)(9), and 346(c)(2) clearly indicates a distinction between local educational agencies and post-secondary institutions. This interpretation was confirmed by Senator Javits' office as the regulations were being developed. Further, Senate Report No. 95-173 stated "the necessity of an agreement between a prime sponsor and the educational agency or agencies responsible for elementary and secondary education." As a result, we are assured that the definition of local educational agency is both legally and administratively accurate as it is currently stated.

Also the definition of LEA in our regulations is consistent with the definition of LEA under the Elementary and Secondary Education Act of 1965, as amended. This consistency between definitions in Federal regulations should assist in the further development of effective working relationships between local educational agencies and prime sponsors in serving school-age youth.

At the same time, it is recognized that the legislative intent is not to preclude services for youth from other effective deliverers in the area. For that reason, the regulations, section 97.7A(b)(5), include the encouragement of LEA's to enter into subagreements, grants, or contracts with post-secondary schools and other organizations. Rather than being a time-consuming process, this enables the prime sponsor and the LEA to develop an in-school program under the 22 percent set aside which most effectively serves the eligible youth of that local area by linking together the regular school curricula with employment and training programs and other YEDPA services.

In addition, the regulations do not preclude in-school programs outside the LEA agreement. That is, the prime sponsor may make agreements directly with post-secondary institutions to run in-school programs beyond the LEA agreement parameters.

Question 4. The interagency agreement between the Departments of the Interior, Agriculture, and Labor, section II(D) (1) (d) states that enrollees must, at the time of enrollment be capable, as determined by Labor, of carrying out the work of the Corps for the estimated duration of their enrollment. Each individual shall provide a record of physical examination before enrollment. The limitation could have a serious negative impact in areas which are either underserved or underserved medically or in poverty areas where the potential enrollees do not have sufficient funds to pay for a physical examination, or where both situations exist.

Mr. HAWKINS. With that, I again want to thank you for your testimony this morning.

Mr. McCONNOR. Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you.

It is the hope of the committee to possibly conclude its hearings this morning by 12. But we won't in any way foreclose full testimony from those who have been invited to testify this morning.

The next witnesses before the committee are Mr. Peter Mowitt, Acting Director, Office of Manpower Training and Youth Activities, Department of the Interior; and Mr. Leon Anderson, Division of Human Resources, U.S. Forest Service, the Department of Agriculture.

Gentlemen, we are pleased to have you with us this morning. Your statements in their entirety will be entered in the record at this point. You may proceed to summarize or read from them as you so desire.

Which one of you is going to be the first witness?

Mr. ANDERSON. I will lead off, Mr. Chairman.

Mr. HAWKINS. We will hear from you first, Mr. Anderson.

[The documents referred to follow:]

STATEMENT OF LEON H. ANDERSON, DIRECTOR, HUMAN RESOURCE PROGRAM,
FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE, BEFORE THE SUBCOM-
MITTEE ON EMPLOYMENT OPPORTUNITIES, COMMITTEE ON EDUCATION AND
LABOR, HOUSE OF REPRESENTATIVES, ON THE STATUS OF YOUTH EMPLOYMENT
AND TRAINING PROGRAMS, ON NOVEMBER 10, 1977.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for this opportunity to summarize the activities of the Department of Agriculture with regard to the Young Adult Conservation Corps and Job Corps, authorized under Titles VIII and IV, respectively, of the Comprehensive Employment and Training Act of 1973, as amended, and the Youth Conservation Corps authorized by Public Law 93-408.

Young Adult Conservation Corps

On August 5, 1977, President Carter signed into law the Youth Employment and Demonstration Projects Act of 1977. This Act, Public Law 95-93, amended the Comprehensive Employment and Training Act of 1973 by adding a new Title VIII--The Young Adult Conservation Corps (YACC).

The YACC was created to provide employment to youths who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work. The program provides employment for up to one year to youth ages 16 to 23, inclusive, and is open to youths from all parts of the country of both sexes and all social and racial classifications. Enrollees will be involved in work activities which include timber stand improvement, reforestation, wildlife habitat improvement, fire pre-suppression, and similar conservation projects on public lands.

The Forest Service-USDA, in cooperation with the Departments of Labor and the Interior, administers the Federal portion of the YACC program.

Thirty percent of the program is administered through State grants with 70 percent being shared by the Forest Service-USDA and the Department of the Interior. Draft regulations have developed for the Federal component and are currently in the final stage of development.

Presently, the Forest Service-USDA has developed an implementation plan and the mechanisms needed to fully operate both Federal and State administered portions of the program during the current fiscal year. We are currently receiving numerous referrals from the State employment services and to date have 165 enrollees hired. We expect enrollment to reach 2,300 by the end of the month. We anticipate employment of 7,745 enrollees by the end of the current fiscal year. Project sites have been identified, and the number of enrollees by State and County have been determined. These project sites were developed to give consideration to areas having substantial unemployment. A summary is provided as an attachment to our testimony showing project sites and actual numbers of enrollees.

We expect the residential program to begin during the second quarter of fiscal year 1978, with one residential site opening in both our Pacific Northwest and Alaska Regions. The remaining 23 project sites will open during the fourth quarter in various locations throughout the country.

No new facilities are to be constructed at this time for the YACC program. Rehabilitation of existing facilities is planned, and these facilities should be ready by the end of the third quarter. Funds have been allocated to our field units for start-up needs during the first and second quarters. At the present time, we are implementing nonresidential programs across the country.

3.

We have contacted all States and territorial jurisdictions which will administer the State grant portion of the program. To date, 51 governmental bodies have designated the responsible program agents. Regulations have been drafted for the State grant program and are presently in the final stage of development. We believe it is important to move rapidly to implement the Young Adult Conservation Corps. To achieve this, we determined that it is in the public interest to publish these regulations rapidly to respond to the critical employment needs of youth. However, comments may be submitted during the 30-day period after publication.

We are planning a joint training session with the Department of the Interior during the upcoming weeks. This session will also provide functional and technical assistance to State and territorial agencies responsible for administering the program.

During fiscal year 1978, the Forest Service-USDA will receive \$116.5 million to operate the YACC program. These funds will allow for the employment of approximately 11,130 eligible youths in the Federal and State programs, who will be paid at the minimum wage level. The size of the program in fiscal year 1979 will depend on the level of funding.

The Forest Service-USDA and cooperating State Foresters have an inventory of projects which meet the dual objectives of providing immediate employment and improving our natural resources. This inventory of high, labor-intensive work includes such things as tree planting, timber stand improvement, campground construction and maintenance, watershed improvement, erosion control, pollution abatement, fire control, and other measures of resource improvement.

Job Corps

The Job Corps program is authorized under Title IV of the Comprehensive Employment and Training Act of 1973, as amended, and operated by the Forest Service-USDA and USDI under interagency agreement with the Department of Labor. The program provides educational and job skills training to disadvantaged youths, aged 16 through 22. A large portion of the vocational training is provided by contracts with unions such as the operating engineers, carpenters, bricklayers, plasterers/cement masons, and painters. The Forest Service-USDA administers 17 Civilian Conservation Centers and enrolled 7,300 youths during July 1, 1976, through June 30, 1977. Our Civilian Conservation Centers produce graduates who are better able to find productive work, reenter school, or join the military and succeed because of work habits, special job skills, and education obtained from the program. Ninety percent of the enrollees contacted in placement follow-up were placed in jobs, the military, or returned to school. The by-product last year was \$10 million of appraised value of work, \$3 million of which was resource work and construction to aid skills development on the National Forests. Nearly all of the \$7 million balance accomplished on-Centers work to construct, improve, or maintain Center facilities.

During fiscal year 1976, the Forest Service-USDA enrollment capacity was 3,352 corpsmembers; capacity for fiscal year 1977 was 3,430 persons. During the fiscal years 1976 and 1977, 17 Civilian Conservation Centers were in operation, and the average number of participants was 7,300 persons per year.

Our estimated expansion capacity for fiscal year 1979 is 3,908 corpsmembers. This includes the development of facilities at a new site on the Daniel Boone National Forest in Kentucky which will house 250 Job Corps enrollees. It is expected that this facility will be available for use by September 20, 1978. Rehabilitation of existing sites is planned to bring most Centers to a 224-person capacity.

Youth Conservation Corps

The Forest Service-USDA, in cooperation with the Department of the Interior, administers the Youth Conservation Corps (YCC), authorized by Public Law 93-408. Thirty percent of the program is administered through State grants with 70 percent being shared by the Forest Service-USDA and the Department of the Interior. The YCC accomplishes needed conservation work on Federal lands administered by the Secretaries of Agriculture and the Interior, and on non-Federal public lands through grants to States. It provides young men and women, 15 to 18 years of age, gainful summer employment and an opportunity to learn about their natural environment through actual field experience.

During the summer of 1976, the Forest Service-USDA, the Department of the Interior, and States under the grant program operated over 1,000 camps in every State and territory, with approximately 24,000 youths participating in the \$32 million program. The Forest Service-USDA's allotment was \$11.2 million and 6,887 enrollees were served.

Supplemental funds were released in June 1977 for that summer, which expanded the YCC program from \$30 million to \$60 million. The total number of enrollees served during the summer of 1977 was 38,500. The

Forest Service-USDA operated 329 YCC camps which supported 11,973 enrollees. The State grant program enrolled a total of approximately 15,000 youths. About \$5 million of the supplemental funds were programmed for utilization during the summer of 1978.

The Department of Agriculture is committed to a continuing effort to serving youth, the unemployed, underemployed, minorities, and other disadvantaged persons. We believe the development and conservation of human resources is as important as the development and conservation of natural resources. Forest Service participation in the Young Adult Conservation Corps, Job Corps, and the Youth Conservation Corp program are a few of several ways in which we pursue both goals.

This completes my prepared testimony. I will be happy to answer any questions that you may have.

U.S. Department of Agriculture
FOREST SERVICE
FY 1978 PROPOSED YOUNG ADULT CONSERVATION CORPS IMPLEMENTATION PLAN
(Federal Program)

<u>Unit</u>	<u>Sept. First FY 77 & Qtr. FY 78</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>TOTAL</u>
<u>National Forests</u>					
Northern Region - R.1	156 - N/R	XX	XX	190 - R	346
Rocky Mountain - R.2	350 - N/R	XX	XX	122 - R	472
Southwestern - R.3	436 - N/R	XX	XX	XX	436
Intermountain - R.4	238 - N/R	XX	XX	500 - R	738
California - R.5	932 - N/R	XX	XX	55 - R	987
Pacific - R.6	648 - N/A	- R	XX	219 - R	1,067
Southern - R.8	1,206 - N/R	XX	XX	XX	1,206
Eastern - R.9	1,367 - N/R	XX	XX	90 - R	1,357
Alaska - R.10	141 - N/R	160 - R	XX	287 - R	588
TOTAL National Forests	(5,374) - N/R	(360) - R	XX	(1,463) - R	(7,197)
<u>State & Private Forestry Areas</u>					
Northeastern Areas - NA	41 - N/R	XX	XX	XX	41
Southeastern Areas - SA	58 - N/R	XX	XX	XX	58
TOTAL Areas	(99) - N/R	XX	XX	XX	(99)
<u>Research Stations</u>					
Intermountain - INT	38 - N/R	XX	XX	XX	38
North Central - NC	55 - N/R	XX	XX	XX	55
Northeastern - NE	59 - N/R	XX	XX	XX	59
Pacific Northwest - PNW	49 - N/R	XX	XX	XX	49
Pacific Southwest - PSW	49 - N/R	XX	XX	XX	49
Rocky Mountain - RM	21 - N/R	XX	XX	XX	21
Southeastern - SE	82 - N/R	XX	XX	XX	82
Southern - SO	42 - N/R	XX	XX	XX	42
Institute of Tropical Forestry-ITF	4 - N/R	XX	XX	XX	4
TOTAL Stations	(399) - N/R	XX	XX	XX	(399)
Soil Conservation Service (SCS)	(50) - N/R	XX	XX	XX	(50)
TOTAL ALL UNITS	(5,922) - N/R	(360) - R	XX	(1,463) - R	(7,743)

N/R = Nonresidential Enrollees R = Residential Enrollees

Young Adult Conservation Corps

Approximate numbers of Enrollees in State Grant Program, FY 1978 (PS and Interior)
Based upon total youth population within each State and cost estimate of \$10,500/Enrollee

STATE	Number of Enrollees				
Alaska	106				
Alaska	12				
Arizona	65				
Arkansas	37				
California	623				
Colorado	82				
Connecticut	86				
Delaware	18				
District of Columbia	22				
Florida	217				
Georgia	167				
Hawaii	29				
Idaho	24				
Illinois	319				
Indiana	156				
Iowa	81				
Kansas	69				
Kentucky	100				
Louisiana	118				
Maine	29				
Maryland	123				
Massachusetts	168				
Michigan	276				
Minnesota	118				
Mississippi	71				
Missouri	136				
Montana	22				
Nebraska	46				
Nevada	16				
New Hampshire	22				
New Jersey	196				
New Mexico	36				
New York	686				
North Carolina	165				
North Dakota	20				
Ohio	314				
Oklahoma	77				
Oregon	65				
Pennsylvania	325				
Puerto Rico	80				
Rhode Island	26				
South Carolina	90				
South Dakota	21				
Tennessee	118				
Texas	368				
Utah	60				
Vermont	14				
Virginia	156				
Washington	106				
West Virginia	49				
Wisconsin	136				
Wyoming	11				
Virgin Islands	2				
Guam	3				
Army, Navy, U.S. of P.I.	3				
TOTAL	6,262				

STATEMENT OF PETER G. MOWITT, ACTING DIRECTOR, OFFICE OF MANPOWER TRAINING
AND YOUTH ACTIVITIES, USDI-BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES,
NOVEMBER 10, 1977

Mr. Chairman:

I am pleased to be here this morning in response to your request to provide you with information on the actions taken by the Department of the Interior in implementing the Youth Employment and Demonstration Projects Act (P.L. 95-93), and the initiatives that we have taken with regard to our portion of the Job Corps Program.

On August 25, 1977, the Departments of Interior, Agriculture, and Labor entered into an Inter-Agency Agreement for the operation of the Young Adult Conservation Corps program. Negotiations between our Department and the Department of Labor were conducted in a most cordial and cooperative atmosphere. We are looking forward to good working relationships between the three Agencies. Under this Agreement, the Department will employ 7,469 Young Adults by the end of FY 1978 at an average cost of \$10,500 per enrollee slot. Twenty-five percent of these enrollees will be in residential programs, the remainder in non-residential projects. If additional funding up to the authorized level of \$350 Million is received, we will employ a total of 11,100 young adults by the end of this fiscal year.

As of November 7, 1977, we have 23 YACC projects underway employing 235 people. Within a period of 30 days we plan to have a total of 1,490 Young Adults employed, and, by January 1, 1978, a total of 2,045 in 33 camps or projects. We plan to employ an additional 1,735 in the second quarter, 2,113 more in the third quarter and 1,576 more in the fourth quarter for a total of 7,469 by the end of the fiscal year. As I indicated, if additional funds are made available, we will increase our employment in the third and fourth quarters to reach a total of 11,100.

We are in the process of establishing a regional capability to administer the YACC and Youth Conservation Corps programs and our consolidated

Administrative Services Center has been expanded to provide fiscal, accounting, payroll and property management services for multi-bureau participation in the Young Adult Conservation Corps. In addition, the Administrative Services Center will provide enrollee payroll services for the Forest Service and will administer the fiscal and accounting portions of the joint State Grant operation.

On September 12, 1977, a joint letter from Secretary of the Interior, Andrus and Secretary of Agriculture Bergland, was sent to the Governors of the 57 states and territorial entities defined as eligible under Public Law 95-93. Each Governor was requested to designate a person within the state to serve as the Governor's agent for the YACC state grant program.

As of November 8, 1977 fifty-one responses were received. DOA and DOI representatives responsible for administering the grant program in each state have been named. The DOI and DOA representatives will be developing a state grant orientation plan and schedule during the period of November 15-18, 1977. State grant regulations are now being developed and will be published in the Federal Register by December 1, 1977, provided that the DOI publishes the Federal program regulations in a timely manner. A draft YACC State Grant Operation and Procedure Handbook has been jointly developed by DOI and DOA. Included within this handbook are samples of grant applications, suggested work programs and general information concerning the operation of a YACC project.

Thirty percent of the funds appropriated for the YACC program will be made available for grants to the states. Distribution of the funds to the states will be made on the basis of total youth population within each state. The state grant program is expected to begin about January 1, 1978.

The state grant program will support an estimated 6,300 enrollees to perform conservation work on State and other Non-Federal public lands.

The total number of residential camps and non-residential projects cannot be determined until the Governors submit and receive approval on their grant applications.

We have taken the following initiatives to expand our Job Corps Civilian Conservation Centers program. On November 9, 1976, we received a memorandum from the Director of Job Corps, John H. Stetson, outlining their plan for expansion of our Job Corps Centers by a total of 61 enrollee slots.

We had been lead to believe that we would be given a higher percentage of expansion slots. On November 18, 1976, we forwarded our priority listing for 171 enrollee slots.

A response was received from Labor on December 3, 1976, which outlined their objectives in developing their current expansion plan:

- (a) To achieve a rapid and cost effective expansion through full utilization of existing centers, facilities, staff, and resources to the greatest degree

possible, and with a minimum of capital expenditures.

- (b) To alleviate shortages of training slots, particularly in conservation centers, except in geographic areas where no shortages exist.
- (c) To establish a set of priorities based upon cost effectiveness and geographic need as well as performance measurement criteria.

The Department of Labor stressed that for purposes of the current thrust, a minimum of capital needs was central in the design. They informed us that they were sending our proposal to their regional offices for their reaction. In the event they concurred with us, some adjustments in the plan could be negotiated.

On January 21, 1977, the Department of Labor approved and funded expansion at the following centers:-

Oconaluftee	-	20	
Mingo	-	4	
Treasure Lake	-	4	
Harper's Ferry	-	10	-38 Total

With regard to our Marsing and Fort Simcoe centers, the Labor Department informed us that they consider them for expansion at a later date.

For the next several months we worked with the various Directors and Commissioners of Interior Bureau requesting their assistance in updating plans and providing estimated costs for the further expansion

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of Job Corps. We requested that they determine where existing government facilities were available that could be rehabilitated and improved and also to consider expansion of the Job Corps Program at new locations where new construction would be required.

On April 8, 1977, we forwarded our expansion proposal to the U.S. Dept. of Labor consisting of three phases:

- Phase I - expansion of existing centers by
a total of 199 enrollees.
- Phase II - establish new centers using existing
facilities
- Phase III - establish new centers by the construction
of new facilities.

On April 14, 1977, we also forwarded a proposal to the Department of Labor to establish and operate a satellite residential manpower center at the U.S. Navy Anacostia Park Area in Washington, D. C.

On May 11, 1977, we received a reply from Assistant Secretary of Labor for Employment and Training, Ernest Green, in response to our proposal for expansion of April 8, 1977. He indicated that a number of initiatives had been proposed to stimulate the economy. Among these were the expansion of some existing training programs and the establishment of a new training and work experience program - the Young Adult Conservation Corps to be operated by the Departments of Interior and Agriculture. It was his view that this would require a major effort by our agency and would absorb most of our available training resources and facilities. Accordingly, the Department of Labor planned to emphasize the YACC program rather than to

expand our Job Corp program.

On June 1, 1977, we proposed the establishment of a residential Job Corps Conservation Center in Guam for disadvantaged Guamanian and Micronesian youth. We received a reply on July 22, 1977, stating that their Regional Office in San Francisco was responsible for the Department's field activities as they apply to the Pacific Territories and that they had asked that office to conduct a detailed evaluation of our proposal and would contact us when a decision was reached.

On July 28, 1977, our office received a memorandum from the Department of Labor informing us that they had decided that our Mingo and Treasure Lake Centers could be expanded an additional 56 enrollees each. They requested that we submit our plan in accordance with their proposal.

On August 31, 1977, we provided a positive response to Labor concerning the expansion of the Treasure Lake and Mingo Job Corps centers. We have not yet received the funding to expand these centers.

On September 8, 1977, the Acting Director of Job Corps sent us a memorandum informing us that they were examining the feasibility of establishing additional Job Corps Civilian Conservation Centers. They were particularly interested in locating such centers in the following areas:-

Region I	-	New England
Region II	-	New York, New Jersey
Region III	-	California

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We provided them with our proposal on September 27, 1977, for seven new Job Corps Centers that could be started in fiscal year 1978:-

- | | |
|---|-------------------|
| 1. Anacostia Park area
Washington, D. C. | 50 enrollees |
| 2. Iroquois National Wildlife Reserve
Mading, New York | 172-250 enrollees |
| 3. Gateway National Recreation Area
Brooklyn, New York | 250 enrollees |
| 4. Cape Kennedy
Florida | 250 enrollees |
| 5. Gulf Island National Seashore
Live Oaks, Florida | 250 enrollees |
| 6. Cabeza-Prieta, NWR
Ajo, Arizona | 224 enrollees |
| 7. Guam-Micronesia
Asena, Guam | 200 enrollees |

In subsequent discussions with the Department of Labor we mutually agreed to consider alternative sites at Golden Gate in California, Padre Island, Texas, and Roswell, New Mexico, each at a level of 250 enrollees.

On the morning of October 5, 1977, the Department of Labor telephoned us wanting to know how many enrollees we could add to our existing centers without capital improvement. We responded that we could add 83 enrollees.

The Department of Labor has informed us that they are exploring the potential of an urban-type training center in Guam. We are hopeful that our proposal may be approved at a future date.

Recently, we received Department of Labor approval for our proposed Iroquois, Gateway, and Gulf Islands sites which will add an additional 750 enrollees to our program. We are preparing a financial and build-up schedule for these sites. The Department of Labor is actively considering additional sites and we expect a decision from them by January 1, 1978.

Mr. Chairman, you also asked for information about our other youth programs. The Youth Conservation Corps continues to be highly successful.

In 1977, the Department of the Interior, under the Youth Conservation Corps (YCC) program, operated 400 camps, including 10 military and 3 TVA. There were 11,200 youth participating. Under the state grant program there were 14,073 youth in 643 camps.

We anticipate operating a program of comparable size under the \$60 Million appropriation next year. The increase in the Federal minimum wage may reduce the number of enrollees for next summer.

Mr. Chairman, this concludes my formal statement. I would be pleased to respond to any questions that you may have.

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**STATEMENT OF LEON ANDERSON, DIVISION OF HUMAN RESOURCES,
U.S. FOREST SERVICE, DEPARTMENT OF AGRICULTURE, WASH-
INGTON, D.C., ACCOMPANIED BY PETER MOWITT, ACTING
DIRECTOR, OFFICE OF MANPOWER TRAINING AND YOUTH
ACTIVITIES, DEPARTMENT OF THE INTERIOR, WASHINGTON,
D.C.**

Mr. ANDERSON. Thank you for this opportunity to summarize the activities of the Department of Agriculture with regard to the Young Adult Conservation Corps and Job Corps, authorized under titles VII and IV, respectively, of the Comprehensive Employment and Training Act of 1973, as amended, and the Youth Conservation Corps authorized by Public Law 93-408.

On August 5, 1977, President Carter signed into law the Youth Employment and Demonstration Projects Act of 1977. This Act, Public Law 95-93, amended the Comprehensive Employment and Training Act of 1973 by adding a new title VIII—the Young Adult Conservation Corps, YACC.

The YACC was created to provide employment to youths who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work. The program provides employment for up to 1 year to youth ages 16 to 23, inclusive, and is open to youths from all parts of the country of both sexes and all social and racial classifications. Enrollees will be involved in work activities which include timber stand improvement, reforestation, wildlife habitat improvement, fire presuppression, and similar conservation projects on public lands.

The Forest Service-USA, in cooperation with the Department of Labor and the Interior, administers the Federal portion of the YACC program. Thirty percent of the program is administered through State grants with 70 percent being shared by the Forest Service-USDA and the Department of the Interior. Draft regulations have been developed for the Federal component and are currently in the final stage of development.

Presently, the Forest Service-USDA has developed an implementation plan and the mechanisms needed to fully operate both Federal and State administered portions of the program during the current fiscal year. We are currently receiving numerous referrals from the State employment services and to date have 165 enrollees hired. About 38 percent are minorities. We expect enrollment to reach 2,300 by the end of the month. We anticipate employment of 7,745 enrollees by the end of the current fiscal year. Project sites have been identified, and the number of enrollees by State and county have been determined. These project sites were developed to give consideration to areas having substantial unemployment. A summary is provided as an attachment to our testimony showing project sites and actual numbers of enrollees.

We expect the residential program to begin during the second quarter of fiscal year 1978, with one residential site opening in both our Pacific Northwest and Alaska regions. The remaining 23 project sites will open during the fourth quarter in various locations throughout the country.

No new facilities are to be constructed at this time for the YACC program. Rehabilitation of existing facilities is planned, and these

facilities should be ready by the end of the third quarter. Funds have been allocated to our field units for startup needs during the first and second quarters. At the present time, we are implementing nonresidential programs across the country.

We have contacted all States and territorial jurisdictions which will administer the State grant portion of the program. To date, 51 governmental bodies have designated the responsible program agents. Regulations have been drafted for the State grant program and are presently in the final stage of development. We believe it is important to move rapidly to implement the Young Adult Conservation Corps. To achieve this, we determined that it is in the public interest to publish these regulations rapidly to respond to the critical employment needs of youth. However, comments may be submitted during the 30-day period after publication.

We are planning a joint training session with the Department of the Interior during the upcoming week. This session will also provide functional and technical assistance to State and territorial agencies responsible for administering the program.

During fiscal year 1978, the Forest Service-USDA will receive \$116.5 million to operate the YACC program. These funds will allow for the employment of approximately 11,130 eligible youths in the Federal and State programs, who will be paid at the minimum wage level. The size of the program in fiscal year 1979 will depend on the level of funding.

The Forest Service-USDA and cooperating State foresters have an inventory of projects which meet the dual objectives of providing immediate employment and improving our natural resources. This inventory of high labor-intensive work includes such things as tree planting, timber stand improvement, campground construction and maintenance, watershed improvement, erosion control, pollution abatement, fire control, and other measures of resource improvement.

The Job Corps program is authorized under title IV of the Comprehensive Employment and Training Act of 1973, as amended, and operated by the Forest Service-USDA and USDI under interagency agreement with the Department of Labor. The program provides educational and job skills training to disadvantaged youths, aged 16 through 22. A large portion of the vocational training is provided by contracts with unions such as the operating engineers, carpenters, bricklayers, plasterers/cement masons, and painters. The Forest Service-USDA administers 17 Civilian Conservation Centers and enrolled 7,300 youths during July 1, 1976, through June 30, 1977. Our Civilian Conservation Centers produce graduates who are better able to find productive work, reenter school, or join the military and succeed because of work habits, special job skills, and education obtained from the program. Ninety percent of the enrollees contacted in placement followup were placed in jobs, the military, or returned to school. The byproduct last year was \$10 million of appraised value of work, \$3 million of which was resource work and construction to aid skills development on the national forests. Nearly all of the \$7 million balance accomplished on Center work to construct, improve, or maintain Center facilities.

During fiscal year 1976, the Forest Service-USDA enrollment capacity was 3,352 corps members; capacity for fiscal year 1977 was

3,430 persons. During the fiscal years 1976 and 1977, 17 Civilian Conservation Centers were in operation, and the average number of participants was 7,300 persons per year.

Our estimated expansion capacity for fiscal years 1978 and 1979 is 3,908 corps members. This includes the development of facilities at a new site on the Daniel Boone National Forest in Kentucky which will house 250 Job Corps enrollees. It is expected that this facility will be available for use by September 20, 1978. Rehabilitation of existing sites is planned to bring most Centers to a 224-person capacity.

YOUTH CONSERVATION CORPS

The Forest Service-USDA, in cooperation with the Department of the Interior, administers the Youth Conservation Corps (YCC), authorized by Public Law 93-408. Thirty percent of the program is administered through State grants with 70 percent being shared by the Forest Service-USDA and the Department of the Interior. The YCC accomplishes needed conservation work on Federal lands administered by the Secretaries of Agriculture and the Interior, and on non-Federal public lands through grants to States. It provides young men and women, 15 to 18 years of age, gainful summer employment and an opportunity to learn about their natural environment through actual field experience.

During the summer of 1976, the Forest Service-USDA, the Department of the Interior, and States under the grant program operated over 1,000 camps in every State and territory, with approximately 24,000 youths participating in the \$32 million program. The Forest Service-USDA's allotment was \$11.2 million and 6,887 enrollees were served.

Supplemental funds were released in June 1977 for that summer, which expanded the YCC program from \$30 million to \$60 million. The total number of enrollees served during the summer of 1977 was \$38,500.

The Forest Service-USDA operated 329 YCC camps which supported 11,973 enrollees. The State grant program enrolled a total of approximately 15,000 youths. About \$5 million of the supplemental funds were programed for utilization during the summer of 1978.

The Department of Agriculture is committed to a continuing effort to serving youth, the unemployed, underemployed, minorities, and other disadvantaged persons. We believe the development and conservation of human resources is as important as the development and conservation of natural resources. Forest Service participation in the Young Adult Conservation Corps, Job Corps, and the Youth Conservation Corps programs are a few of several ways in which we pursue both goals.

This completes my prepared testimony. I will be happy to answer any questions that you may have.

Mr. HAWKINS. Thank you, Mr. Anderson.

Let's hear from Mr. Mowitt first and then proceed to the questions.

Mr. Mowitt, we appreciate your testimony this morning.

Mr. MOWITT. Mr. Chairman, I am pleased to be here this morning in response to your request to provide you with information on the actions taken by the Department of the Interior in implementing the Youth Employment and Demonstration Projects Act, Public Law

95-93, and the incentives that we have taken with regard to our portion of the Job Corps program.

On August 25, 1977 the Department of the Interior, Agriculture, and Labor entered into an interagency agreement for the operation of the Young Adult Conservation Corps program. Negotiations between our Department and the Department of Labor were conducted in a most cordial and cooperative atmosphere. We are looking forward to good working relationships between the three agencies. Under this agreement, the Department will employ 7,469 young adults by the end of fiscal year 1978 at an average cost of \$10,500 per enrollee slot. Twenty-five percent of these enrollees will be in residential programs, the remainder in nonresidential projects. If additional funding up to the authorized level of \$350 million is received, we will employ a total of 11,100 young adults by the end of this fiscal year.

As of November 7, 1977 we have 23 YACC projects underway employing 225 people. Within a period of 30 days we plan to have a total of 1,490 young adults employed and by January 1, 1978 a total of 2,045 in 53 camps or projects. We plan to employ an additional 1,735 in the second quarter, 2,113 more in the third quarter and 1,576 more in the fourth quarter for a total of 7,469 by the end of the fiscal year. As I indicated, if additional funds are made available, we will increase our employment in the third and fourth quarters to reach a total of 11,100.

We are in the process of establishing a regional capability to administer the YACC and Youth Conservation Corps programs and our consolidated Administrative Services Center has been expanded to provide fiscal, accounting, payroll and property management services for multibureau participation in the Young Adult Conservation Corps. In addition the Administrative Services Center will provide enrollee payroll services for the Forest Service and will administer the fiscal and accounting portions of the joint State grant operation.

On September 12, 1977 a joint letter from Secretary of the Interior Andrus and Secretary of Agriculture Bergland was sent to the Governors of the 57 States and territorial entities defined as eligible under Public Law 95-93. Each Governor was requested to designate a person within the State to serve as the Governor's agent for the YACC State grant program.

As of November 8, 1977, 51 responses were received. DOA and DOI representatives responsible for administering the grant program in each State have been named. The DOI and DOA representatives will be developing a State grant orientation plan and schedule during the period of November 15-18, 1977. State grant regulations are now being developed and will be published in the Federal Register by December 1, 1977, provided that the DOL publishes the Federal program regulations in a timely manner. A draft YACC State grant operation and procedure handbook has been jointly developed by DOI and DOA. Included within this handbook are samples of grant applications, suggested work programs and general information concerning the operation of a YACC project.

Thirty percent of the funds appropriated for the YACC program will be made available for grants to the States. Distribution of the funds to the States will be made on the basis of total youth population within each State. The State grant program is expected to begin about January 1, 1978.

The State grant program will support an estimated 6,300 enrollees to perform conservation work on State and other non-Federal public lands.

The total number of residential camps and nonresidential projects cannot be determined until the Governors submit and receive approval on their grant applications.

We have taken the following initiatives to expand our Job Corps Civilian Conservation Centers program. On November 9, 1976, we received a memorandum from the Director of Job Corps, John H. Stetson, outlining their plan for expansion of our Job Corps centers by a total of 61 enrollee slots.

We had been led to believe that we would be given a higher percentage of expansion slots. On November 18, 1976, we forwarded our priority listing for 171 enrollee slots.

A response was received from Labor on December 3, 1976, which outlined their objectives in developing their current expansion plan.

The Department of Labor stressed that for purposes of the current thrust, a minimum of capital needs was central in the design.

On January 21, 1977, the Department of Labor approved and funded expansion at the following centers: Oconaluftee, Mingo, Treasure Lake, Harper's Ferry.

With regard to our Marsing and Fort Simcoe Centers the Labor Department informed us that they will consider them for expansion at a later date.

For the next several months we worked with the various directors and commissioners of Interior Bureau requesting their assistance in updating plans and providing estimated costs for the further expansion of Job Corps. We requested that they determine where existing Government facilities were available that could be rehabilitated and improved and also to consider expansion of the Job Corps program at new locations where new construction would be required.

On April 8, 1977, we forwarded our expansion proposal to the U.S. Department of Labor consisting of three phases.

On April 14, 1977, we also forwarded a proposal to the Department of Labor to establish and operate a satellite residential manpower center at the U.S. Navy Anacostia Park Area in Washington, D.C.

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that they had asked that office to conduct a detailed evaluation of our proposal and would contact us when a decision was reached.

On July 28, 1977 our office received a memorandum from the Department of Labor informing us that they had decided that our Mingo and Treasure Lake Centers could be expanded an additional 56 enrollees each. They requested that we submit our plan in accordance with their proposal.

On August 31, 1977 we provided a positive response to Labor concerning the expansion of the Treasure Lake and Mingo Jobs Corps Centers. We have not yet received the funding to expand these centers. But we understand these will be transferred to us on the next fund transfer.

On September 8, 1977 the Acting Director of Job Corps sent us a memorandum informing us that they were examining the feasibility of establishing additional Job Corps Civilian Conservation Centers. They were particularly interested in locating such centers in the following areas: region I, New England, region II, New York and New Jersey and region III, California.

We provided them with our proposal on September 27, 1977 for seven new Job Corps Centers that could be started in fiscal year 1978. These are the Anacostia Park Area in Washington, D.C., the Iroquois National Wildlife Reserve, N.Y., the Gateway National Recreation Area, N.Y., Cape Kennedy, Fla., the Gulf Island National Seashore, Live Oaks, Fla., Cabeza-Prieta, in Ajo, Ariz., and the Guam-Micronesia proposal.

In subsequent discussions with the Department of Labor we mutually agreed to consider alternative sites at Golden Gate, Calif., Padre Island, Tex. and Roswell, N. Mex., each at a level of 250 enrollees.

On the morning of October 5, 1977 the Department of Labor telephoned us wanting to know how many enrollees we could add to our existing centers without capital improvement. We responded that we could add 83 enrollees.

The Department of Labor has informed us that they are exploring the potential of an urban-type training center in Guam. We are hopeful that our proposal may be approved at a future date.

Recently we received Department of Labor approval for our proposed Iroquois, Gateway and Gulf Islands sites which will add an additional 750 enrollees to our program. We are preparing a financial and buildup schedule for these sites. The Department of Labor is actively considering additional sites and we expect a decision from them by January 1, 1978.

Mr. Chairman, you also asked for information about our other youth programs. The Youth Conservation Corps continues to be highly successful.

If I may, Mr. Chairman, I would like to read into the record a portion of a letter received by the Secretary of the Interior from a Mr. Wilbur Wood of Salem, Oreg. He says:

Dear Sir, This past summer my daughter was fortunate enough to attend a YCC camp at Crater Lake, Oreg. At the camp she became acquainted with lifelong friends, realized her place in society and became more aware of nature and found additional muscles and felt hunger, thirst and fatigue. In short, she became an adult, cognizant of herself and the environment. After seeing the tears of appreciation at the beginning of the program, the results on the person and on the environment, and the tears of departure at the end of the program, I am

convinced that the Youth Conservation Corps is one of the most effective and useful programs in the Federal Government.

In 1977 the Department of the Interior, under the Youth Conservation Corps program operated 400 camps, including 10 on military installations and 5 on Tennessee Valley Authority lands. There were 11,200 youth participating. Under the State grant program there were 14,073 youth in 643 camps.

We anticipate operating a program of comparable size under the \$60 million appropriation next year. The increase in the Federal minimum wage may reduce the number of enrollees for next summer.

Mr. Chairman, this concludes my formal statement. I would be pleased to respond to any questions that you may have.

Mr. HAWKINS. Thank you, Mr. Mowitt. Both you and Mr. Anderson refer throughout to State grants. What is the situation with respect to local grants? Why aren't they included in the statements?

Mr. MOWITT. The funds, Mr. Chairman, are available to States and local governments. For administrative purposes we have asked the Governor to designate a program agent and the grants will be made to the State and the State will redistribute those in accordance with the applications it receives from State and local governments.

Mr. HAWKINS. You haven't set up a method of dealing directly with local governments. Does not the law authorize and permit it?

Mr. MOWITT. Yes; it does, sir, as it does in the Youth Conservation Corps program. But for administrative convenience it is much easier for us to deal with a single agent in the State than it is to deal with a multiplicity of applicants for a State program.

Mr. HAWKINS. Have you had any complaints received about that? Have you had any inquiries from local governments to do it otherwise?

Mr. ANDERSON. We have not, as I can remember, Mr. Chairman. I think that the experience we have gained over the years of operation of the State grant program is that the States, the Governor's office, normally enters into a subgrant with local forms of government for example, New York City. The city of Los Angeles had a program at Mt. Rogers Park. So they do enter into local subgrants with local governments.

Mr. HAWKINS. Do you know how much money has been allocated for local governments under this system? Is there a breakdown between those programs that are operated by the State and those that are operated through subcontract to the local agent, local governments?

Mr. ANDERSON. We do not have that.

Mr. HAWKINS. We had during the hearings considerable testimony. I know a group of the committee, Mr. Weiss in particular, is very much concerned about that local participation.

I know there is some concern about participation in Los Angeles County.

Are you saying that groups that would be interested in such programs are being satisfied now through the State grant procedure?

Mr. ANDERSON. To the best of our knowledge, Mr. Chairman, we have had no complaints.

Mr. HAWKINS. I haven't had any either. I am not trying to create a problem. We have enough already. I am just wondering how this works so successfully and it doesn't seem to work in other areas.

Mr. MOWITT. We haven't received any grant applications yet under the YACC programs. So we really don't know—

Mr. HAWKINS. Would the guidelines sustain them?

Would the guidelines permit them?

Mr. MOWITT. Yes, sir, the guidelines do.

Mr. HAWKINS. Mr. Anderson, both you and Mr. Mowitt, I see, indicated good relations not only between your two Departments but also with the Department of Labor. Are we to conclude that the relations between and among these agencies still remain satisfactory? There seem to be no administrative problems or hang ups on getting the job done, because of this arrangement whereby you deal with the Department of Labor?

Mr. MOWITT. We don't really anticipate any problems, Mr. Chairman. We haven't been working at the WACC program long enough to really determine whether or not problems will occur in the future. But certainly I think both Mr. Anderson and myself are delighted to have Ray Young, who was an old friend and colleague when he was in the Job Corps program in the Department of Labor now and the people who run the program office, Bob Taggart, we get along very well. We don't anticipate we will have any real problems.

Mr. ANDERSON. In essence, Mr. Chairman, the relationship has improved considerably with this new group of people in there.

Mr. HAWKINS. It is nice to note.

Mr. Anderson, your statement says that YACC creates employment for youth who would not otherwise be productively employed. Can you amplify on that statement and indicate how you determine who would not otherwise be currently productively employed?

Mr. ANDERSON. The way we looked at that, Mr. Chairman, is that, as you mentioned, there are vast numbers of people in this age bracket who are not employed and who are not even getting counted because they are not even looking for work. They become so discouraged that they are not even out looking for work. We feel that through this program we can outreach and get hold of some of these people who may go through the rest of this decade and not have an opportunity to experience what it means to do a good day's work.

I grew up in New York City. I know that there are guys in the neighborhood in which I grew up who have never really had an opportunity to work on a job for any substantial period of time.

What we anticipate is that through outreach efforts with YACC programs, both residential and nonresidential, we will be picking up those people who would not otherwise have not gone to the employment service or even heard about jobs.

Mr. HAWKINS. With respect to that outreach service—because I think that is getting into some of the problems we explored with the previous witnesses—are you satisfied that a good outreach job is being done? In what ways can that effort be expanded? It seems to me that the youth in a sense are being ignored because we don't attempt to reach them and simply classify them as not being in the labor market or being transient. We don't always know why they are out of the labor market. But they are out there someplace. Are you and other agencies actually reaching them to get them in? Or do we take the attitude that we would rather not have them because we don't have places for them and we would rather ignore them than recognize that they exist and then be compelled to deal with them responsibly?

Mr. ANDERSON. Mr. Chairman, we have a number of ways available to us through the Department of Agriculture, through the Forest Service and cooperative State forestry organizations. They reach into little nooks and crannies in the various communities that would not otherwise be contacted.

As an example, the Cooperative Extension Service has both urban and rural cooperative extension service programs. Agents within the Department of Agriculture Extension Service have come to us and said, "We will help you get these people to the proper places to get signed up for the program."

This is also done through the media and radio spots. There are certain radio programs that certain segments of the population listen to. The younger generation listens to certain kinds of music. They get a half-spot on teen radio programs which have the day-to-day contact with these people. That has worked for us in many of our programs.

We operate part of title IX, the older Americans program. You know how difficult it is to reach elderly people. We haven't had too much of a problem reaching out and finding older Americans because we have a number of people, and a number of resources available to us to get out into those areas where people don't normally hear about these programs.

Mr. HAWKINS. On page 4 of your statement, Mr. Anderson, you describe the vocational training program with the unions, such as the operating engineers, carpenters, bricklayers, plasterers, cement masons and painters.

I assume many of these unions have members who are on layoff status or who are unemployed, just how meaningful then is this type of cooperation? Are they actually engaged in training young people on jobs at the same time that they may have their own members unemployed? It seems to me that we are getting into a question of how meaningful is the training, what is the prospect of placement and so forth?

Below that you say that 90 percent of the enrollees are placed. But then you say "in jobs, military or return to school." How many were placed in the private sector as opposed to how many ended up in the military or returned to school, only to drop out again?

I have asked two questions in one. They are somewhat interwoven. Would you amplify on the success that you have had with relationship to the unions and the training of persons on jobs that may be in short supply, if available at all and how this ends up in placement, actual placement, in jobs?

Mr. ANDERSON. Mr. Chairman, the unions, I can go on record as saying, are one of the entities that have made Job Corps the successful program that it is. That is by way of giving the youngster something that is marketable.

As far as placement is concerned, Job Corps enrollees select a special vocational area they would like to go into. Enrollees may go into a program knowing full well that they may have to relocate when they graduate in order to get placement. In New England for example, there is low placement and layoffs for operating engineers. Those guys up there don't want to relocate to California. However there could be a lot of work going on in California. These youngsters would be relocated to areas where there happens to be employment available.

In all of the construction trades there are certain portions of the country where there is a lull. There are other places where there is kind of a boom. The unions are very careful not to put an enrollee to work in an area where there are people laid off. The placement rate has been fantastic from where we sit even during this period of economic downturn. Realizing that the bulk of them go into apprenticeship training programs with a little union card, the final product results in a skilled job. It has been very advantageous to us and especially to minority and disadvantaged people who would not otherwise have an opportunity to get into some of the labor unions. It has helped the unions with their EEO goals and their affirmative action plans; they have placed a significant number of enrollees.

The placement rate during this period has run about 90 to 92 percent of the graduates. This has been because of relocation of enrollees.

Mr. HAWKINS. Are you at your potential? Or is there room for expansion?

Mr. ANDERSON. There is room for expansion, Mr. Chairman. As we get into new programs we have most of the unions already operating in our Job Corps programs. As we expand the Job Corps program into other States and areas, for example the Daniel Boone National Forest in Kentucky, we will include union programs. Of course the work that we have to do usually supports all of the construction trades, especially roadbuilding for access into the forest and timber lands and for fire prevention.

Mr. HAWKINS. I assume you concur in the statement made by Mr. Anderson with respect to the possibility of expanding programs if additional funding is authorized.

Mr. MOWITT. I certainly do, Mr. Chairman.

Mr. HAWKINS. When you say "authorized" do you mean congressional authorization? Or are you talking about funds from the Department of Labor?

Mr. MOWITT. It is my understanding that for the Young Adult Conservation Corps program that \$350 million was authorized by the Congress for that portion of the package.

We have now \$233 million which was appropriated and made available to us by the Department of Labor. I understand there was a supplemental request expanding the funding level up to \$350 million.

Mr. HAWKINS. Before you have that supplemental would you be in a position to expand the program?

Mr. MOWITT. We have a capability now which we are considering to speed up implementation of the program in the second quarter. We have planned with the supplemental to move ahead in the third and fourth quarters. If we had the money now we could move ahead now and bring our schedule forward to bring more people on board.

Mr. HAWKINS. Mr. Duffy?

Mr. DUFFY. I have just one observation, Mr. Chairman. I had not realized that the Civilian Conservation Corps centers had a much heavier emphasis on activities other than simply forest maintenance and so on. I was surprised at the number of unions involved and the many types of skills involved.

I wonder if you could describe so we could get a better idea how these centers work, a typical enrollee in one of these centers, what kind of activities he has in a typical day.

Mr. ANDERSON. A typical center with, say, five unions on board, includes union vocational training programs and nonunion vocational training programs that go into things like preforestry training, culinary arts, building maintenance, et cetera.

A typical day at a 224-man center could have, depending on the size of the program, 30 kids in the operating engineers program. The Operating Engineers program could be involved in roadbuilding, erosion control, bank stabilization, et cetera.

There is a tremendous need for access roads to get into various places that we can't get into. That is what the Operating Engineers could be doing. The work these kids would be doing is not Birdhouse I, Birdhouse II.

In carpentry for example, there is a large building backlog that we have had over the years. There are recreation areas that we have had to close down because we just haven't had the recreation dollars to maintain these facilities at a level that would be safe for public use.

So the carpenters would be building these kinds of things, or administrative sites that would not otherwise get built, thus saving taxpayers' dollars.

So the byproduct of this training benefits the Federal Government and the people of the United States.

And you have got your cement masons, plasterers, and painters which upkeep existing facilities by maintaining the safety and welfare of the kids onboard. This whole effort is involved in the conservation of the public lands that we manage.

If there are 60 kids in the heavy equipment program, as an example, 30 of these kids would be in school one week and 30 would be out on the job.

Mr. DUFFY. That is to get their high school equivalency diploma?

Mr. ANDERSON. Right. Realizing that we are still receiving approximately 30 percent of the enrollees coming in to Job Corps beginning with sound/symbol relationships, and these enrollees receive their high school equivalency in about a year and a little card that gets them into union apprenticeship program.

One objective is that corps members put forth every effort to come out with a high school equivalency diploma. Numbers of these kids go on to college. The famous boxer George Foreman is a Job Corps graduate. There are professional football players who got their beginning in Job Corps.

Mr. DUFFY. Once these kids finish that year and they finish building roads and building structures and so on, have you found that the level of skills is high enough so that they are attractive job applicants for building contractors and so on?

Mr. ANDERSON. Yes. I must say that the construction trades and unions take a lot of pride in their product. If they identify that it takes three hands to do a job and a guy only has one and a half and he isn't going to be able to make it, there are certain counseling procedures which are taken.

If he doesn't have the dexterity to drive a nail and is banging his fingers, we have what we call a pep panel which sits down with this kid and starts exploring other kinds of vocational areas, because you have to tell the guy that it takes three hands to do this job and you have only got one and a half. I think this is one of the successful ways

of dealing with the kids in Jobs Corps. This is why the program has been the success that it is. Someone called Job Corps "an experiment that works."

Mr. DUFFY. Thank you very much, Mr. Chairman.

Mr. HAWKINS. Mr. Mowitt, Mr. Anderson, we appreciate your testimony. It has been very helpful to us. We hope to pay a visit to some of the facilities. At times the staff has. The members of the committee have not. But we do anticipate looking at some of the things you have discussed with us this morning in a field inspection.

Mr. ANDERSON. Thank you, Mr. Chairman. We certainly would welcome that and hope that we could get you out to visit.

Mr. HAWKINS. We will see those guys that have three hands. And the girls, too. Thank you.

Mr. ANDERSON. Thank you.

Mr. HAWKINS. The next witness is Dr. Maurice Dawkins, Opportunities Industrialization Centers, Washington, D.C.

Dr. Dawkins, we are pleased to welcome you before the committee.

STATEMENT OF DR. MAURICE DAWKINS, OPPORTUNITIES INDUSTRIALIZATION CENTERS, WASHINGTON, D.C.

Mr. DAWKINS. Thank you, Mr. Chairman.

Mr. HAWKINS. Both as friend and in other capacities. It is a pleasure to have you present for the record this morning the views of the Opportunities Industrialization Centers.

Mr. DAWKINS. Mr. Chairman, I wish to express the appreciation of Dr. Sullivan, Dr. Leon Sullivan, the chairman of the board of OIC of America, the founding chairman, for your having granted us the opportunity to come before the committee and share some of the experiences that we have been having at OIC.

Opportunities Industrialization Centers is a community-based organization that has been included in the planning and implementation of the plan for carrying out the goals and objectives of the Congress as provided for by this committee and the legislation that was passed helps out the youth unemployment problem.

I must say before going into Dr. Sullivan's remarks for the record that we have had at OIC a tragic loss in that the man who was responsible for getting all of the information from the field that will be included in these remarks, who was the No. 3 man in our organization, passed away. His funeral service is this weekend. We closed the OIC in Philadelphia in his honor. For that reason I have had difficulty in getting technical assistance in order to come here today. But it is in his memory that we offer these remarks, which represent feedback from the field and some of the communities where we have been working to become a part of the solution to the youth unemployment problem.

We hope these remarks will be helpful in any planning, in any policy development, that takes place, in any legislative developments that take place in the future.

Dr. Sullivan has asked that we express our appreciation to you and your committee not only for the short-range plans that H.R. 6138 represented and Public Law 95-93, but also for the full employment goals and objectives in the full employment legislation of the Hum-

phrey-Hawkins bill, and this has been an inspiration to us across the Nation.

With that, may I read Dr. Sullivan's remarks? [Reading:]

Mr. Chairman, my name is Leon Sullivan. I sincerely appreciate having an opportunity to come before you to share my concerns regarding the implementation of plans made by this committee and the Congress to help solve the youth unemployment problem in the Nation.

Passage of H.R. 6138 was an historic breakthrough in legislation and legislative history, in the sense that it marked the first time in history that any nation in the world had made a legal commitment of this magnitude to mobilize the national resources in a comprehensive planned attack on youth joblessness and the youth joblessness crisis.

The European youth unemployment crisis in the industrialized nations and the African and Asian youth problems of developing nations are an additional indication of the fact that we must make our American effort successful. We must show that this problem can be licked and how it can be licked.

I have watched in recent years the tragic rise in the rate of unemployment among our youth with corollary increases in delinquency, crime, dope addiction, alcoholism, vandalism in the schools and a general erosion of our moral value system.

I have pushed OIC managers and trainers to develop a comprehensive plan to train and place in jobs one million unemployed in the next three years, more than one-half of which are the youth in the age bracket for youth defined by the legislation, and approximately one-third of which would be welfare recipients.

I have pushed the manpower commission, of which I am a member, to include community-based organizations as an integral part of the national manpower delivery system because they are an automatic targeting mechanism to help narrow the gap between general unemployment and black and other minority youth unemployment.

I have urged my friends in industry and in labor and government and in the educational systems to join hands and hearts and skills and dollars to create a unified cooperative effort that would make possible maximum successful utilization of all of our resources collectively.

Needless to say I am pleased that we now have from President Carter and the Congress a bill that reflects all of our concerns and promises to give us a meaningful first step in the right direction.

To bridge the gap between promise and performance it is my hope that the monitoring and evaluation of youth projects and of the administration of those projects and the coordination of the effort of the deliveries of service during that one-year testing time will give you information in a timely manner so that we might find ourselves using an ounce of prevention rather than a pound of cure in our legislative and administrative efforts.

It is my hope that we will find ways of encouraging the maximum effective participation of community leaders and community-based organizations since they are close to the problems and have developed ways of contacting and relating to youth that should make them a valuable outreach arm and in some instances a valuable technical assistance arm to the mayors, the county officials, the Governors, the industries and the unions that would be delivering youth services as a part of the CETA system.

I know that we have been able in OIC to do a good job under very difficult conditions and in spite of a resistance on the part of some prime sponsors. Therefore the special consideration amendment to the youth bill has given us new hope and much needed encouragement to do a better job.

For the record, Mr. Chairman, I would like to remind the committee that the federal government has invested hundreds of millions of dollars in developing these community-based groups as an integral part of our national employment and training system and that it only makes good sense to use them and include them in this effort to solve the youth employment problem.

Together the federal, state and local governments, business and industry, combined with community leadership, we can lick this problem. We can give our youth the help they need to help themselves.

It is my most sincere hope that the Congress, the President and the federal government agencies will not be too little and too late with the kinds of policy and programs that are needed.

I have been going personally or sending my personal representatives to the hearings that are being held on the operation of public service employment now conducted under the auspices of the National Commission for Manpower Policy.

You will recall that this commission was given by the Congress the broad legislative mandate to identify the manpower goals and needs of the nation and to assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity and other programs under this and related Acts represent a consistent, integrated and coordinated approach to meeting such needs and achieving such goals.

Under this mandate I have worked under the leadership of our chairman, Dr. Eli Ginsberg, to ask what our manpower policy is accomplishing relative to what people expect it to accomplish and what it realistically can accomplish and identify some of the programmatic alternatives that are available to us.

Surely some of the real alternatives should emerge from the project development now taking place as a result of the passage of the Youth Employment Demonstration Projects Act. I am referring of course to Title I, the Young Adult Conservation Corps, Title II, the Youth Employment Demonstration program with Subpart I, Youth Incentive Entitlement, Subpart II, Youth Conservation Improvements projects and Subpart III, Youth Employment and Training program.

As you know, and you and your colleagues indicated when this legislation was being debated before passage, a year of testing and monitoring and evaluating results should tell us things that we need to know if we are to design and develop a successful and practical cost-effective way of dealing with this problem.

If we succeed and develop workable plans that really produce results we may be able to advise and help others. However if we in America fail to succeed then perhaps no one can succeed. And we are locked in and our crisis will inevitably become a disaster.

Mr. Chairman, it is because of my deep concern that this year of testing should prepare all of us to make policy decisions in the next calendar year regarding the reauthorization of CETA, the job component of welfare reform legislation and the passage of full employment legislation that we wish to share with the committee the experiences that we have been having in OIC.

We have developed some expertise, some know-how, some practical ways of getting more bounce for the buck and better quality product from our self-help training process that enables us to see ourselves as consulting physicians.

However obviously you as legislators and the Secretary of Labor and the Assistant Secretary of Employment and Training are the physicians on the case. We at community-based organizations such as OIC and the Urban League and the Community Action agencies and Operation Mainstream have proven that training programs and employer-related and union-related non-profit groups have demonstrated effectiveness and have years of experience. But that experience must be related to the current problems and the current insights and the current technological resources and technical resources that are available.

We have been dealing with the youth population, delivering employment and training services to them, targeting federal resources to reach the bottom-of-the-barrel chronically unemployed youth, the technologically unemployed, the Vietnam veterans, the migrant stream workers and the Youth in regional pockets of poverty such as Appalachia.

We realize that a large investment has been made in decentralizing the program delivery to local units of government. It is not anticipated that there would be any wish to dismantle or to diminish the effectiveness of this basic system.

However there are some issues that could be usefully addressed. As we look at what has been happening to the operation of gearing up and getting started with the plans for the youth employment projects we find that further study and discussion can be constructive and positive and helpful at this time.

Certainly the issue before us is one of how to build reasonable funding formulas which will successfully link categorical programs to local needs, insuring that there is the proper distribution of resources geographically as well as functionally.

We appreciate the fact that the Secretary's discretionary funds are available for a wide range of services and delivery mechanisms to test new approaches to dealing with youth unemployment and increasing youth employability.

Therefore in discussing the Secretary's discretionary projects the Act pays special attention to the responsibilities of the National Occupational Information

Coordinating Committee and activities which it should undertake consistent with the purposes of this Act.

Among those activities are assisting in the development of disaggregated occupational outlook data, assisting in the development of state occupational systems, encouraging programs of counseling and employment services for youth in correctional institutions, encouraging the use of computerized systems to provide occupational and career information, encouraging making available employment and career information to pre-secondary youth.

We have been impressed and we are anxious to cooperate because we find that the regulations as designed by the Department of Labor under the Secretary of Labor and his Assistant Secretary for Employment and Training are consistent with the legislation as we understand the legislation.

We are appreciative of the fact that every effort seems to be made by the Department of Labor to do those things that the legislation indicated the Congress would like to see done.

We would like to say that the target groups that are to be reached, the program activities that are to reach them, the deliverers of services that are to be used, the geographic areas where the concentration shall be on priorities as to which are the most in need and some tough decisions about the level of funding and the degree of federal involvement are all questions that are being raised.

Therefore I have asked several of my cities in OIC to give me reports on what is happening at this time. Here is a list of some of those reports.

In Boston they were going to apply for a Job Corps and they were looking for a site. They have been advised by the regional Department of Labor representative that they should try to find something where the youth would be in a situation where they aren't mixed with the other adult trainees. They have been working to get this in place. They are encouraged by the fact that the mayor and the prime sponsor is ready to proceed to fund them.

In Worcester, Mass., they have a proposal submitted for the YCCIP and the YEDTP. We use these letters because it is a lot easier than saying all of the words. Their status is that the manpower planning council will be meeting in November. They expect by December to know whether or not they have been funded.

In New London, Conn., they have put in for the YCCIP and YEDTP as well as for Job Corps. They have not applied for any entitlement dollars. But they have been given every reason to believe they will be funded. They have filed jointly a proposal with the Community Action agency in that city.

In Bridgeport, Conn., they have filed for a YCCIP and YEDTP for approximately \$150,000 projects in each instance. There is every indication that they will be funded.

In Providence, R.I., they have filed for the YCCIP, the YEDTP and the entitlement project. They are bidding for the entitlement project. The bidding process is one in which they are currently engaged. This is an OIC that has a \$4.1 million budget generally. They are well equipped with the capability to add on the functions that are required.

In Springfield, Mass., they have applied for the YCCIP, the YEDTP and the Job Corps. They have found a site for the Job Corps to take care of migrant youth. They have filed jointly with the Northeast Farmworkers Council.

In Burlington, Vt., they have filed for a YCCIP, a YEDTP. I am not certain as to when that is coming before the manpower planning council.

In New Haven, Conn., they have filed for the YCCIP, the YEDTP. They are not certain as to the manpower council.

In Waterway, Conn., Stamford, Conn., New Britain, Conn. there has been some problem of delay on the part of the prime sponsors as to whether or not they can get going in accordance with the timetable that was set by the Department of Labor, or that was hoped by the Department of Labor they would be able to do.

We find that in Allegheny, Pa., OIC, in the Carlisle, Pa., OIC, in the north central West Virginia OIC and in the Philadelphia OIC they have filed their proposals. They have received no word yet as to what the action will be.

In the Richmond OIC in Virginia, Roanoke, Va., and the Tri-County OIC in central Virginia, they have filed. Only the Tri-County OIC proposal has been approved. It is a large one for some \$709,000.

We have in St. Louis, Mo., no additional activities with respect to youth bill submissions. They have submitted the YCCIP proposal. There the prime sponsor is not ready to move.

In Kansas City, Mo. a proposal for service under the YCCIP was developed and submitted for request for a small project for \$64,000 and the manpower planning council has not acted yet.

It would seem to me that as we have gone through these cities several things emerge that might be relevant and that we want the community to become aware of.

One is that over 50 percent of the prime sponsors with whom we have been trying to implement the youth program have been positive in their response to our request.

Another is that the 50 percent who have not been positive very often there are problems of a nature which have been contributed to by circumstances that do not reflect an attitude of negativism but rather circumstances difficult to control and to deal with.

In addition we have found that the regulations being consistent with the legislation that the problem of administration at the level of the regional manpower administrators and the amount of staff capability that is available to get startup time quickly enough has created some issues.

We found that if we had a regional staff person who did nothing but concentrate on the youth program that he would be able to provide technical assistance in getting started up in a city where they feel they do not have the capability but if they had a little assistance they could develop the capability.

In some instances we have a city where the money is available and the mayor has asked, "Please, come and take the money and do the job." The OIC didn't feel they had the technical capability to deliver. If our regional staff could have given them technical assistance because they were in place to give the technical assistance they would have been able to move in that direction.

However, we are aware that in addition to those negatives we positively have found that the fact that we were in place with a regional staff, with cities in place, with facilities in place, with personnel in place to begin work right away that our startup potential and our time line for starting up is a lot shorter than anybody else we know about.

I have brought, Mr. Chairman, one example, a demonstration manpower project for the city of Philadelphia submitted by the Philadelphia OIC October 4, 1977.

I would like to have that attached as a part of the material that goes into the record.

Mr. HAWKINS. Due to its length we will maintain it in our subcommittee files on this hearing.

Mr. DAWKINS. I find in talking with the administrators in Chicago office, our San Francisco office and our office in Seattle, Wash. and our office in Kansas City that all across the country there is a considered concerted effort on the part of our organization and other community-based organizations to become a part of the plans that are being carried out.

One of the hopes we would have, Mr. Chairman, is that the committee would be able to strengthen the Labor Department capability of putting enough manpower in their own staffing to concentrate on this youth development thrust that the new legislation calls for.

Mr. HAWKINS. Are you suggesting that that be done at the regional level or the Washington office?

Mr. DAWKINS. Our concern would be at the regional level because we feel that the regional technical assistance is the key to getting started, to adding the new dimension of the concentration on youth. If the objective is to reach the youth and to get started with the youth, the closer the resources are placed to the deliverers of the service and the more targeting can be done to the youth who need it most, we feel that that would be expedited by putting more strength in the regions.

Mr. HAWKINS. Are you getting technical assistance at all at the present time from the regional offices?

Mr. DAWKINS. One of the problems is that—and I understand it—they have so much to do, the best they can do is give you information and hope that you will have the capability to take advantage of the information.

Mr. HAWKINS. We will certainly have the staff and the strengthening and getting much faster action on the programs—certainly the community-based organizations have a distinct role to play. I note what OIC has done in this field as well as some of the other organizations.

Do you think there is a reluctance on the part of local prime sponsors to deal with community-based organizations?

Mr. DAWKINS. Yes; we have some instances of that. I would like to cite Chicago for example where they decided to subcontract to six units or six organizations or six corporations or six agencies and let all the other groups in town be subcontractors to those six, which means that you are subject to whatever the realities are, politically and otherwise.

It is difficult for a community-based organization that has to go to the hand that is feeding it to bite that hand. It is also difficult to compete when there is no open competition or the decision is made prior to any competition having developed. I use Chicago as an example. But it has happened in other cities also.

Those prime sponsors who have decided to maintain the status quo rather than to adapt to the new thrust that the youth legislation calls for just decided to be hard-nosed about it.

Sometimes sponsors have said—

We shall do what the law say technically and accurately and honestly. If that means making changes in our *modus operandi*, we will change, because better to adjust to what we now have than to have something tighter and harder and tougher on us pass the next time around. Let's make this one work.

A third group has said—

We have got \$10½ billion of other things we are worried about. We are not really getting those through the way we would like to. So this \$1½ billion of youth money, let's just let these other groups do that.

We have had a number of prime sponsors who have said, "Come in and bring us the proposal and we will turn it over to you."

There are at least three different cuts of ways that prime sponsors are reacting, as we find it.

Mr. HAWKINS. Mr. Duffy?

Mr. DUFFY. No questions, Mr. Chairman.

Mr. HAWKINS. Because of the time, Dr. Dawkins, I am not going to proceed any more. I think you have presented a very good statement this morning. I want to commend you and Dr. Sullivan for your usually fine testimony. We certainly assure you that this committee will work cooperatively with you, particularly when we are in the process of considering legislation for the expansion of CETA as well as considering changes in the other programs.

Mr. DAWKINS. Mr. Chairman, I want to thank you.

We also would like to submit in writing as an appendix to Dr. Sullivan's testimony the records from the cities I mentioned in the testimony.

Mr. HAWKINS. Without objection it is so ordered.

Thank you again.

Mr. DAWKINS. Thank you very much.

Mr. HAWKINS. Mr. McAlpine is not in the room. But Ms. Cooper, deputy director of the Washington bureau, is here and will present the statement.

Ms. Cooper, we welcome you and your testimony this morning. You may proceed with your statement. Your statement in its entirety will be entered into the record at this point.

[The document referred to follows:]



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TESTIMONY

OF

MAURICE R. COOPER

DEPUTY DIRECTOR

WASHINGTON BUREAU

NATIONAL URBAN LEAGUE, INC.

before the

COMMITTEE ON EMPLOYMENT OPPORTUNITIES

ON

YOUTH EMPLOYMENT

Thursday, November 10, 1977

9:30 A.M. - Room 2261

Rayburn House Office Building

Contributions to the National Urban League are tax deductible

Testimony of

MAUDINE R. COOPER
DEPUTY DIRECTOR, WASHINGTON BUREAU
NATIONAL URBAN LEAGUE, INC.

Before the
Subcommittee on Employment Opportunities

on
YOUTH EMPLOYMENT

Rayburn House Office Building
Room 2261

Thursday, November 10, 1977
9:30 A.M.

Mr. Chairman, I am Maudine R. Cooper, Deputy Director of the Washington Bureau, National Urban League, Inc. We welcome this opportunity to respond to your invitation to give our views on the Youth Employment and Demonstration Projects Act.

The National Urban League is a non-profit, charitable and educational social service organization founded in 1910 to secure equal opportunities for Black Americans. Its scope has since been expanded to include all minority groups, and poor and disadvantaged Americans, wherever they may be. But its major thrust continues to be on behalf of Black people in the nation's cities. The League is nonpartisan and interracial in its leadership, staff and membership.

The League is committed to enhancing employment opportunities for minorities and the disadvantaged and to educating that portion of the population to existing opportunities. The demonstrated effectiveness of

the League in this area has been proven through the development and operation, nationally as well as locally, of over one hundred highly successful training and employment programs. Approximately eighty-five of our one hundred nine affiliate Urban Leagues operate CETA programs, and many affiliates, whether they are funded by CETA or other sources, address the problems of youth unemployment: e.g., Career Education in Bergen County, New Jersey; Neighborhood Youth Corps in Muskegon, Michigan; Project Caring, Understanding and Encouragement in Greenville, South Carolina; Youth Services in Sacramento, California; and Employment for Disadvantaged Youth in West Palm Beach, Florida.

Recognition of the League's expertise in the employment and training field is also evident in the significant funding the National Urban League and its affiliates have received for a number of years from federal, state and local government agencies for many demonstration programs and studies. The National Urban League's current contracts with such Federal departments as Labor, Health, Education and Welfare, Defense, Justice, Housing and Urban Development, Commerce, Transportation, Environmental Protection Agency, etc., include demonstrations and studies to expand occupational horizons and to eliminate employment barriers through programs in apprenticeship recruitment and journeyman-advanced training in the construction trades, on-the-job training, veterans' services, educational information centers, street academies, industry-college exchange programs and the provision of counseling and other supportive services.

The League has had extensive experience in providing employment and training services to many special target groups such as youth, offenders,

and older workers, and has developed programs for affirmative action in both the public and private sectors.

We are indeed pleased at having been invited to present our views on the Youth Employment and Demonstration Projects Act (YEDPA). The passage of that legislation represents a step in the right direction, but we believe it is a very small step. Much of the program implementation and start up time has been embroiled in politics -- not concern for those large numbers of unemployed black youth. The national commitment to eliminating chronically high unemployment among youth ranges from weak to non-existent.

It seems ludicrous that in 1977, we are discussing targeting of funds into black ghettos. There should be no ghettos; there should be no poor housing or poor schools; there should be no ghetto living conditions characterized by extraordinary economic deprivation. Yet, individuals within those surroundings are watching the Department of Labor and watching those within the Department, with mounting frustrations. All factions must share some of the responsibility for the program in its present infancy -- The Department, the Administration, the Congress, and other public and private agencies. Public educational institutions, private entrepreneurs, vocational education facilities, labor, etc. are all suddenly concerned about the plight of black youth. While there is admittedly a need for a partnership among these groups, they have traditionally ignored the plight of black economically disadvantaged youth. If unemployment rates among white youth were as high as black youth, it is quite possible that an all out war on youth unemployment would have been declared:

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TABLE I
Computation of NUL Unofficial and Official Unemployment Rates*
(Teenage)

	3rd Q 1976	2nd Q 1977	3rd Q 1977
<u>Unofficial Unemployment Rate**</u>			
Blacks	52.3	64.7	54.3
Whites	26.5	31.5	23.6
Total	29.6	35.7	27.8
<u>Official Unemployment Rate</u>			
Blacks	35.4	40.5	37.2
Whites	15.6	16.1	14.1
Total	17.8	18.5	16.7

Needless to say, while YEDPA represents far less than an all out war, it certainly is a declaration against the status quo. But, we believe that while the severity of the problem demands prompt action, the sensitive nature of the issue -- the lives of young people -- demands that a haphazard, universal approach not be implemented.

Legislative Development

We recognize the fact that the Planning Charter for YEDPA, Knowledge Development Plan and its accompanying Implementation Strategy, and the Federal Regulations for Youth Programs under CETA represent a comprehensive effort by USDOL/ETA to set the parameters for youth programs. These principles and assumptions were outlined in the Planning Charter as follows:

1. Knowledge development is a primary aim of the new youth programs.
2. The content and quality of work experience must be improved.

* Prepared by the National Urban League Research Department from U.S. Bureau of Labor Statistics data.

** "Discouraged Workers", according to NUL usage, includes all persons not in the labor force who "want a job now", while BLS includes only the subgroup who "think they cannot get a job."

3. Youth participation should be emphasized.
4. Resources should go to those in greatest need.
5. Substitution must be avoided.
6. Overhead must be minimized.
7. The new youth programs are not the cutting edge for institutional change.
8. Emphasis must be placed on approaches and delivery agents of demonstrated merit.
9. The development of a separate employment and training delivery system for youth is not encouraged.
10. The new youth programs are not permanent.*

The Knowledge Development Plan further reinforced those principles:

... YEDPA authorizes a large variety of innovative demonstration projects to explore the relative effectiveness of different approaches in assisting economically disadvantaged and other youth to complete high school, to enter the world of work, and to achieve job stability and advancement. The Congress purposely provided the Secretary of Labor with discretionary authority for allocating about a fifth of all YEDPA funds.**

In reference to the regulations, they too represent a reinforcement of the youth program principles. But we believe that the final regulations represent a retrenchment from the strong forceful thrust outlined in the draft regulations.

While these documents go much further than their predecessors in setting fair, realizable guidelines for the operation of programs authorized by YEDPA, they are far from flawless.

* A Planning Charter for the Youth Employment and Demonstration Projects Act of 1977. U.S. Department of Labor, Employment and Training Administration, Office of Youth Programs, August 1977.

** A Knowledge Development Plan for the Youth Employment and Demonstration Projects Act of 1977. U.S. Department of Labor, Employment and Training Administration, Office of Youth Programs, September 5, 1977.

Problem Focus

The initial problems which Urban Leagues as well as other community-based organizations encounter with the new employment and training initiatives for youth lie within the law itself. First of all, the Youth Employment and Demonstrations Projects Act is too complex, and its efforts at targeting economically disadvantaged youth are too weak to meet its purported purposes, i.e., to provide employment and training opportunities for youth and to explore methods of dealing with their structural unemployment problems. Economically disadvantaged youth bear a disproportionately great part of the burdens of unemployment (See Table 1), and institutional barriers bar their full participation in the work force.

The Department of Labor has focused, conceptually, on the problem in full recognition of the need for program targeting. The Secretary has pledged to make every effort within the framework of the law, to make sure the resources authorized by YEDPA go to service those youth who are in greatest need.

Inner-city and rural areas will be the focus of his discretionary funds. About seventy-five percent of Job Corps' new enrollees will be minorities, and the additional money requested in the form of a supplemental appropriation will reach those areas where minority unemployment is at exorbitantly high levels. The Secretary's ability to keep his pledge of resources going to those in greatest need is, however, inextricably intertwined with Congress' swift action on the supplemental appropriation.

Brevier, this omnibus legislation may make that pledge difficult to keep. For example, the Young Adult Conservation Corps (YACC) is

modeled after the Junior Youth Conservation Corps (YCC), a program carried out by the Departments of Interior and Agriculture. A 1975 study by the Interior Department showed most of the participants in YCC were middle or upper middle class; another 1975 study by the Agriculture Department revealed only 7 percent of YCC participants were black, and over 77 percent were white. While the law provides that preference for membership in YACC shall be given to eligible youth from areas of high unemployment, i.e., 6.5 percent or higher, YACC was clearly not established to serve poor and/or minority youth.

Finally, Secretary Marshall's recent pledge to confer with Secretary of the Interior Andrus and Secretary of Agriculture Bergland to ensure that YACC's portion of the requested supplemental appropriation will be used largely for minority youth confirms our beliefs. If the law provided for adequate targeting on economically disadvantaged and/or minority youth, this extra assurance would not be necessary.

Whether youth will really benefit from participating in YACC remains to be seen. Without provisions for job development, job restructuring and supportive services, it is doubtful that youths' transition from corps membership to the real world labor market will be smooth. Nevertheless, funds for YACC are authorized through fiscal 1980, while funds for the other programs under YDEPA are authorized only for fiscal 1979. This short term funding cycle, even under a demonstration program, is a major source of very planning and implementation problems.

Several other program differentials would lead one to suspect that congressional intent was not to focus or target the program upon the economically disadvantaged.

YACC is to provide employment and other benefits to youth between 16 and 23 who would not otherwise be productively employed. These youth are to accomplish needed, labor intensive conservation work on public lands and waters, e.g., tree nursery operations, wildlife habitat improvement, general sanitation, cleanup and maintenance. The corps sites, which are to be administered jointly by the Departments of Labor, Interior and Agriculture, will primarily be located in rural areas. Of the \$1 billion that is currently available for YEDPA, \$233 million is for the first year of YACC. If Congress provides the supplemental appropriation for youth programs, YACC funds may be increased to \$350 million per year for the next three years.

On the other hand, YCCIP is to provide unemployed 16 to 19 year old youth with work experience, on-the-job skill training, and employment. These projects are to be designed primarily by community-based organizations and neighborhood groups to meet local community improvement needs, and they will have a more urban thrust. Although youth unemployment rates are worst in inner-city urban areas, of the \$1 billion appropriated for YEDPA, only \$115 million is available for community improvement, and YCCIP funds are authorized only for fiscal year 1978.

An additional cause for concern with the law is that some of the programs authorized by YEDPA may not result in maximization of job potential by participants. For example, the Youth Community Conservation and Improvement Projects (YCCIP) will have an immediate job creation potential for economically disadvantaged youth. But few supportive services, e.g., occupational counseling and the development of unsubsidized jobs, can be provided because of limitations on the use of YCCIP funds. YCCIP's potential to have a long term effect on youth is, therefore, questionable.

On the other hand, of all the programs authorized by YEDPA, Youth Employment and Training Program (YETP), should have the greatest benefits for participants. The in-school programs, career development efforts, skills training and jobs that will be provided by YETP could have both immediate impact and potential for the employability development of the nation's needy youth, provided that resources go to those in greatest need.

Those identified problems are not simply ones which have confronted community-based organizations. In conversations with National Urban League staff, several prime sponsors have admitted to being overwhelmed by the YOCIP and YETP planning process and stymied by the continuing resolution for DOI/HEW appropriations. The latter concern, congressional footdragging, has done much to hamper full scale program implementation and operation. For example, the continuing resolution does not provide maximum technical assistance to prime sponsors and other delivery agents.

Regulations

In August 1977, the National Urban League commented on the August 18, 1977 draft regulations for subparts 2 and 3 of YEDPA (i.e., YOCIP and YETP). We applauded ETA's Youth Programs Task Force for producing thorough, equitable regulations which would have insured that the Congressional intent for including community-based organizations was realized. However, when the final regulations for Youth Programs under CETA (effective date - October 17, 1977) were published on September 16, 1977, essential elements were missing. The guidelines for assuring that prime sponsors give special consideration to community-based organizations (CBO's) with demonstrated local effectiveness had been significantly weakened.

In section 97.404(c) of the draft regulations, part of the requirements for prime sponsors giving special consideration to CBO's included: basing the selection of YETP service deliverers upon a fair and open competition which considered recognized CBO's and non-profit organizations; and establishing this competitive process so that it included public notification of the competition, use of a rating system in making awards, use of specific criteria for evaluating proposals, review of proposals by an impartial evaluation panel, written evaluation by the prime sponsor of all applications, written notification to all unselected applicants that a debriefing would be available upon request, etc.

In the final regulations, section 97.705 concerns the provisions for special consideration to CBO's. The aforementioned requirements that prime sponsors establish a fair, open, competitive process for selecting service deliverers do not appear in the final regulations for YOCIP and YETP. The National Urban League recommended that these requirements be inserted into the final regulations.

In our comments on the August 18, 1977 regulations, the National Urban League also took issue with section 97.413(c)(4) which allowed for the provision of all YETP services except subsidized employment to youth who do not meet the economically disadvantaged income criteria. It is our belief that, except for the 10 percent of prime sponsors' formula allocated YETP funds which are not restricted by income criteria and the funds for in-school programs, services available under YETP are supposed to be targeted on economically disadvantaged youth (See section 345(a)-YEDPA). Providing all YETP services except subsidized employment to non-disadvantaged youth weakens that targeting. Despite our protests, section 97.715(c) of the

final regulations sets extraordinary eligibility criteria for participation in YETP that will allow youth who are not economically disadvantaged to participate in YETP; therein lies a loophole which service deliverers can use to justify creaming in the selection of participants for YETP.

Research Efforts Under YEDPA

Admittedly, there is a need for knowledge development in the area of employment and training efforts for youth. With a major review of CETA pending, Congress must have substantive information about what works when dealing with youth to guide its decisions about the future of youth employment and training initiatives. The Department has been encouraging and strongly supportive of research efforts. We view this as a very positive approach. But more importantly, we believe that white institutions should cease being the major contractors for black oriented study projects. For example, much of the research now being done is carried out by white organizations and institutions which attempt to fit black youth into a white stereotypical mold. When such machinations do not work, then there is something wrong with the subject, not the study design and methodology.

As a final, but very disturbing point, we would hope that Congressional hearings will not be used as a vehicle for prematurely terminating these new programs. The programs must be given an opportunity to, in fact, test various theories relative to what youth initiatives work or do not work. In addition, we would hope that youth programs would be carried out in such a way that those essential extrapolations can be made. For we too are against the concept of throwing dollars at the problems of minorities in general and black youth unemployment in particular. A one year, underfunded demonstration effort would have that effect.

NUL Affiliates and YEDPA

By October 6, 1977, well in advance of the training for federal representatives and prime sponsors in some regions, the National Urban League had completed a series of youth program planning - technical assistance conferences which were attended by staff from 108 of our 109 affiliates across the country. At these conferences, we apprised local Urban Leaguers of: the provisions of YEDPA and the regulations for Youth Programs under CETA; the prime sponsor's youth planning process and its implications for Urban Leagues; exemplary youth program models; methods of assessing existing local youth services; and approaches to take in designing programs to fill gaps in service. We told our affiliate representatives to immediately contact their prime sponsors for information about how programs authorized by YEDPA would be implemented at the local level. In several cases, our affiliates met with resistance from local government entities. For example, in some cities, e.g., Massillon, Ohio, Community Action Agencies (which fit the Department of Labor's definition of a community-based organization) are part of the county government. To a great degree, in these cities, the Urban League and other non-governmental community-based organizations have been excluded from the CETA planning process and from delivering employment and training services because the Community Action Agencies have sole source subcontracts.

In Fort Wayne, Indiana, the City Council has recently passed a resolution prohibiting subcontracting of employment and training services. Many prime sponsors do operate their own programs, but resolutions have not been the vehicle for reinforcing that activity.

Local Urban Leagues have already felt the crush of trying to plan viable programs designed to meet the needs of youth in their communities within the time frame established by both the Department of Labor and the local prime sponsor. Given the chronically high unemployment rates among black youth, we are well aware of the pressing needs of our youthful constituency for swift implementation. Yet, the National Urban League viewed the original Youth Task Force work plan as one operating on a very tight schedule. According to that schedule, YCCIP and YETP plans were to have submitted to the Regional Office by November 14, 1977, but as late as September 30, Region IV had not yet set its timetable for YCCIP and YETP. This must be viewed within the context of legislative enactment on August 5, and the prior activities which were begun as preparatory to program implementation.

In Stamford, Connecticut, the Urban League was given one week's notice of the fact that YCCIP plans were due on October 13 and YETP plans on October 17. The prime sponsor was evasive when asked for offeror's conferences and complained of time constraints. In Louisville, Kentucky, the prime sponsor told the Executive Director of the local Urban League that the unreasonably short time frame for submission of proposals was the only alternative he had because of the mandatory 15 day review period for community-based organizations. The Executive Director of the Detroit Urban League received a request for proposals for YCCIP on Tuesday. The proposal was due one week later. In Omaha, Nebraska, the Urban League was given less than a week to prepare a YCCIP proposal.

In short, the recently published revisions of the Employment and Training Administration's (ETA) Plan Development Schedule for YETP and

YCCIP are welcome news to the National Urban League and other CBO's which deliver employment and training services.

Urban Leagues are located in the hearts of the towns and cities in which economically disadvantaged youth live. We have demonstrated our effectiveness in delivering outreach, counseling, educational and skills training services to poor and minority youth. Yet, we are constantly being plagued by local governmental entities which strive to exclude the community participation that is required by law. In Sacramento, California, the prime sponsor is reorganizing the Youth Council, the effect of which will be to remove the Executive Director of the Sacramento Urban League from it. Section 97.705(b)(1) of the regulations for Youth Programs under CETA clearly states, however, that the local community is to be represented on that Council.

In that regard, we believe that the effectiveness of the implementation and operation of these youth programs at the local level will be highly correlated to the stringency of ETA's monitoring at the regional and national levels.

In addition to the affiliate problems, experiences with regional ETA offices regarding YEDPA have varied. For example, in Region V, ETA was very responsive to NUL's request for information. By offering members of its staff and obtaining staff from ETA in Washington, Region V was instrumental in the success of the first of the aforementioned NUL technical assistance conferences. Similarly, Region III sent a representative to our conference in their area. On the other hand, in late September 1977, we called Region VI on several occasions to obtain information about its timetable for YCCIP and YETP so we could share this information with our

affiliates in that region. None of these calls were returned.

Conclusion

Our full support is behind the Department of Labor and its staff as it seeks to implement this program. We, as an organization, understand the frustrations of the black community, and blacks in general because our expectations are unfulfilled. Indeed, our expectations are high, for our disappointments over the past eight years have been many. But as a delivery agent, we also know that to act in haste is to repent in leisure. Our overall concern is for program quality, not quantity. We believe that the Department of Labor shares this view and that Department of Labor staff are equally committed to these principles.

The National Urban League believes that the Youth Employment and Demonstrations Projects Act is only a beginning approach to a critical problem. The real solution lies in a full employment policy and provisions for a policy of cooperation, i.e., a policy based on achieving communication among youth serving agencies -- health, education, welfare, employment and training, criminal justice, etc. -- to identify the needs of youth and organize an integrated method of meeting those needs. We realize, however, that these policies have not yet been established and that we must do the best we can with what we have. Toward that end, we recommend careful monitoring of local youth programs under CETA to: make sure resources are going to serve those who are in greatest need; ensure that youths' participation in those programs will be positive experiences in terms of the skills acquired, the supportive services received, and/or the facility with which they can make the transition from school to work; and require that prime sponsors comply with the mandates for special consideration to CBO's with demonstrated local effectiveness.

**STATEMENT OF MAUDINE R. COOPER, DEPUTY DIRECTOR,
WASHINGTON BUREAU, NATIONAL URBAN LEAGUE, INC.**

Ms. COOPER. Thank you, Mr. Chairman. I am Maudine Cooper. I am deputy director of the Washington Bureau, National Urban League. I would like to thank this committee for this opportunity to testify this morning.

In the interest of brevity I will summarize some of the things we have said in this statement.

The passage of the Youth Act we believe is a step in the right direction. But we believe it is a very small step. Much of the program implementation and startup time has been embroiled in politics, not concerned with the unfortunate unemployed black youth. We believe the national commitment to eliminating chronically high unemployment among youth ranges from weak to nonexistent.

It seems ludicrous that in 1977 we are discussing targeting of funds into black ghettos. There should be no ghettos; there should be no poor housing or poor schools; there should be no "ghetto living conditions" characterized by extraordinary economic deprivation. Yet individuals within those surroundings are watching the Department of Labor and watching those within the Department, with mounting frustrations. All factions must share some of the responsibility for the program in its present infancy, the Department, the administration, the Congress and other public and private agencies, including ourselves.

Public educational institutions, private entrepreneurs, vocational education facilities, labor et cetera are all suddenly about the plight of black youth. While there is admittedly a need for a partnership among these groups, they have traditionally ignored the plight of black economically disadvantaged youth. If unemployment rates among white youth were as high as black youth, it is quite possible that an all-out war on youth unemployment would be declared.

Needless to say, while YEDPA represents far less than an all-out war, it certainly is a declaration against the status quo. But we believe that while the severity of the problem demands prompt action, the sensitive nature of the issue, the lives of young people, demands that a haphazard, universal approach not be implemented.

We recognize the fact that the planning charter for the act, knowledge development plan and its accompanying implementation strategy, and the Federal regulations for youth programs under CETA represent a comprehensive effort by USDOL and ETA to set the parameters for youth programs.

While these documents go much further than their predecessors in setting fair, realizable guidelines for the operation of the programs authorized by YEDPA, they are far from flawless.

The initial problems lie within the law itself. The Youth Employment and Demonstrations Projects Act is too complex and its efforts at targeting economically disadvantaged youth are too weak to meet its purported purposes.

Economically disadvantaged youth bear a disproportionately greater part of the burden of unemployment and institutional barriers bar their full participation in the work force.

The Department of Labor has focused conceptually on the problem in full recognition of the need for program targeting. The Secretary has pledged to make every effort within the framework of the law to make sure the resources authorized by the act go to service those youth who are in greatest need.

Inner city and rural areas will be the focus of his discretionary funds. About 75 percent of Job Corps' new enrollees will be minorities and the additional money requested in the form of a supplemental appropriation will reach those areas where minority unemployment is at exorbitantly high levels. The Secretary's ability to keep his pledge of resources going to those in greatest need must go hand in hand with Congress swift action on the supplemental appropriation.

Moreover, this omnibus legislation may make that pledge difficult to keep. For example, the Young Adult Conservation Corps is modeled after the summer Youth Conservation Corps, a program carried out by the Departments of Interior and Agriculture. A 1975 study by the Interior Department showed most of the participants in YCC were middle- or upper-middle class persons. Another 1975 study by the Agriculture Department revealed only 7 percent of YCC participants were black and over 77 percent were white. While the law provides that preference for membership in YACC shall be given to eligible youth from areas of high unemployment, YACC was clearly not established to serve poor and/or minority youth.

Finally, Secretary Marshall's recent pledge to confer with the Secretaries of Agriculture and the Interior to insure that the Corp's portion of the requested supplemental appropriation will be used largely for minority youth confirms our beliefs. If the law provided for adequate targeting on economically disadvantaged and/or minority youth, this extra assurance we believe would not be necessary.

Whether youth will really benefit from participating in the Corps remains to be seen. Without provisions for job development, job restructuring and supportive services, it is doubtful that youths' transition from Corps membership to the real world labor market will be smooth. Nevertheless, funds for the Corps are authorized through fiscal 1980 while funds for the other programs under YEDPA are authorized only for fiscal 1978. This short-term funding cycle, even under a demonstration program, is a major source of many planning and implementation problems.

Several other program differentials would lead one to suspect that congressional intent was not to focus or target the program upon the economically disadvantaged.

The Corps is to provide employment and other benefits to youth between 16 and 23 who would not otherwise be productively employed. These youth are to accomplish needed, labor-intensive conservation work on public lands and waters.

The Corps sites, which are to be administered jointly by the Departments of Labor, Interior, and Agriculture will primarily be located in rural areas. Of the \$1 billion that is currently available for the act, \$233 million is for the first year of Youth Conservation Corps. If Congress provides the supplemental appropriation for youth programs, YACC funds may be increased to \$350 million per year for the next 3 years.

On the other hand, the youth community conservation improvement project is to provide unemployed 16- to 19-year-old youth with work experience, on-the-job skill training and employment. These projects are to be designed primarily by community-based organizations and neighborhood groups to meet local community improvement needs and they will have a more urban thrust. Although youth unemployment rates are worst in inner city urban areas, of the \$1 billion appropriated for YEDPA, only \$115 million is available for community improvement and YCCIP funds are authorized only for fiscal year 1978.

An additional cause for concern with the law is that some of the programs authorized by YEDPA may not result in maximization of job potentials by participants. For example, the youth community conservation and improvement projects will have an immediate job creation potential for economically disadvantaged youth. But few supportive services such as occupational counseling and the development of unsubsidized jobs can be provided because of limitations on the use of YCCIP funds. Youth community conservation's potential to have a long-term effect on youth is therefore questionable.

On the other hand of all the programs authorized under the act, youth employment and training programs should have the greatest benefits for participants. The in-school programs, career development efforts, skills training and jobs that will be provided by YETP could have both immediate impact and potential for the employability development of the Nation's needy youth, provided that resources go to those in greatest need.

Those identified problems are not simply ones which have confronted community-based organizations. In conversations with National Urban League staff, several prime sponsors have admitted to being overwhelmed by the YCCP and YETP planning process and stymied by the continuing resolution for DOL/HEW appropriations. The latter concern, congressional footdragging, has done much to hamper full-scale program implementation and operation. For example, the continuing resolution precludes maximum technical assistance to prime sponsors and other delivery agents.

We do recognize that the subcommittee has no legislative authority over the regulations themselves. We applauded ETA's Youth Programs Task Force for producing thorough, equitable regulations for the improvement projects and the employment and training programs which would have insured that the congressional intent for including community-based organizations was realized.

However when the final regulations were published essential elements were missing. The guidelines for assuring that prime sponsors give special consideration to community-based organizations with demonstrated local effectiveness had been significantly weakened.

Those concerns have been spelled out in detail in the testimony. I will skip those.

In terms of the research efforts under the act, admittedly there is a need for knowledge development in the area of employment and training efforts for youth. With a major review of CETA pending, Congress must have substantive information about what works when dealing with youth to guide its decisions about the future of youth employment and training initiatives. The Department has been encouraging and strongly supportive of research efforts. We view this as a

very positive approach. But more importantly we believe that white institutions should cease being the major contractors for black-oriented study projects. For example, much of the research now being done is carried out by white organizations and institutions which attempt to fit black youth into a white stereotypical mold. When such machinations do not work, then there is something wrong with the subject, not the study design and methodology.

As a final but very disturbing point, we would hope that congressional hearings will not be used as a vehicle for prematurely terminating these new programs. The programs must be given an opportunity to in fact test various theories relative to what youth initiatives work or do not work. In addition, we would hope that youth programs would be carried out in such a way that those essential extrapolations can be made. For we too are against the concept of throwing dollars at the problems of minorities in general and black youth unemployment in particular. A 1-year, underfunded demonstration effort would have that effect.

In terms of the NUL affiliates in the act, by October 6, 1977, well in advance of the training for Federal representatives and prime sponsors in some regions, the National Urban League had completed a series of youth program planning, technical assistance conferences which were attended by staff from 108 of our 109 affiliates across the country.

At these conferences we appraised local Urban Leaguers of: the provisions of the act and the regulations for youth programs under CETA; the prime sponsor's youth planning process and its implications for Urban Leagues; exemplary youth program models; methods of assessing existing local youth services; and approaches to take in designing programs to fill gaps in service.

We told our affiliate representatives to immediately contact their prime sponsors for information about how programs authorized by the act would be implemented at the local level. In several cases our affiliates met with resistance from local government entities. The testimony contains specific examples from Massillon, from Fort Wayne and other affiliates.

Local Urban Leagues have already felt the crush of trying to plan viable programs designed to meet the needs of youth in their communities within the time frame established by both the Department of Labor and the local prime sponsor. Given the chronically high unemployment rates among black youth, we are well aware of the pressing needs of our youthful constituency for swift implementation. Yet the National Urban League viewed the original Youth Task Force work plan as one operating on a very tight schedule. According to that schedule, YCCIP and YETP plans were to have been submitted to the regional office by November 14, 1977. But as late as September 30, region IV had not yet set its timetable for YCCIP and YETP. This must be viewed within the context of legislative enactment on August 5, and the prior activities which were begun as preparatory to program implementation. Examples of affiliate experiences relative to that timetable are also cited in the testimony: Stamford, Conn. Louisville, Ky., Omaha, Nebr.

In short, the recently published revisions of the Employment and Training Administration's plan development schedule for these pro-

grams are welcome news to the National Urban League and other CBO's which deliver employment and training services.

Urban Leagues are located in the hearts of the towns and cities in which economically disadvantaged youth live. We have demonstrated our effectiveness in delivering outreach, counseling, educational, and skills training services to poor and minority youth. Yet we are constantly being plagued by local governmental entities which strive to exclude the community participation that is required by law. We cite some examples.

In that regard we believe that the effectiveness of the implementation and operation of these youth programs at the local level will be highly correlated to the stringency of ETA's monitoring at the regional and national levels.

In addition to the affiliate problems, experiences with regional ETA offices regarding the act have varied. For example, in region V ETA was very responsive to the Urban League's request for information. Region III sent a representative to our conference in their area.

On the other hand in September 1977 we called region VI on several occasions to obtain information about its timetable. They never did call back.

In conclusion, our full support is behind the Department of Labor and its staff as it seeks to implement this program. We as an organization understand the frustrations of the black community and blacks in general because our expectations are unfulfilled.

The National Urban League believes that the Youth Employment and Demonstrations Projects Act is only a beginning approach to a critical problem. The real solution lies in a full employment policy and provisions for a policy of cooperation, that is, a policy based on achieving communication among youth-serving agencies: health, education, welfare, employment, and training, criminal justice, et cetera, to identify the needs of youth and organize an integrated method of meeting those needs.

We realize, however, that these policies have not yet been established and that we must do the best we can with what we have. Toward that end, we recommend careful monitoring of local youth programs under CETA to make sure resources are going to serve those who are in greatest need, insure that youth's participation in these programs will be positive experiences in terms of the skills acquired, the supportive services received, and/or the facility with which they can make the transition from school to work and require that prime sponsors comply with the mandates for special consideration to CBO's with demonstrated local effectiveness.

Thank you.

Ms. GRAYSON. Thank you. We don't have time to engage in questions at this time. But I will be in touch with you not only on the oversight of the legislation but also on the development of amendments to CETA and the ongoing discussions.

The subcommittee stands in recess subject to the call of the Chair.

[Whereupon, at 12:33 p.m. the subcommittee adjourned to reconvene at the call of the Chair.]

